

The NATIONAL UNDERWRITER

Life Insurance Edition

INS. LAB.

MAY 13 1938 B40

IT'S A FACT!

that during 1937 the Minnesota Mutual's average net rate of interest earned on assets increased to 4.2%.

WE OFFER:

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2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding-training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular—Juvenile
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10. Low Monthly Premiums.

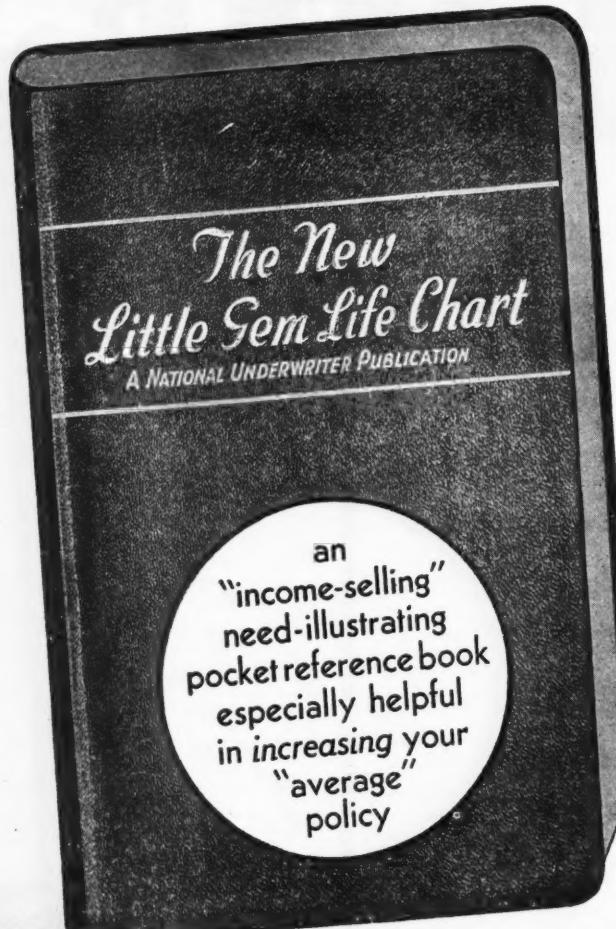
A \$212,000,000.00 Mutual Company, 58 years old with an understanding, cooperative Home Office.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY



FRIDAY, MAY 13, 1938

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The NATIONAL UNDERWRITER

Forty-second Year—No. 19

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, MAY 13, 1938

\$3.00 Per Year, 15 Cents a Copy

Sees Group Cover Supplemented by Permanent Forms

**H. W. Forster, Philadelphia,
Tells A. M. A. Insurance
Conference of Benefits**

By R. B. MITCHELL

ATLANTIC CITY—Great strides in the combining of permanent forms of insurance with group coverage plans were predicted by H. W. Forster, vice-president of the Forster & Crosby Company, in his talk before the American Management Association insurance conference.

"It seems clear to me that to utilize group life insurance to provide more liberal protection during productive years is highly desirable, coupled with permanent insurance for a backlog which protects the employee in that or any other employment and also during his retirement years," said Mr. Forster. ". . . I would not for a moment abolish group life insurance. My organization has written a large number of important cases and hopes to arrange many more, but I feel that group life insurance alone is not the most satisfactory basis of protecting a large group of employees.

Cost "Painfully Evident"

"Group life insurance is one-year renewable term insurance; each year on each employee the cost rises. While the average rate for the group rises only if average age increases, the rising cost on older employees, especially pensioners, is painfully evident to the employer. One case came to my attention where a pensioner, in the last year of his life, cost the employer \$250 per month.

"None of you would consider one-year renewable term insurance adequate to protect your families and, incidentally, yourselves in your retirement years. You buy level premium insurance. The premiums in the early years, well in excess of death costs, build up reserves which enable the companies to keep the price level when the death rate has become high. These contracts have cash values which enable you to make loans for premium payments and other purposes and to take paid-up or extended insurance.

Non-Medical Forms Available

"The question naturally arises why, if men who understand insurance are buying permanent forms, the same contracts could not be made available to groups of employees? I am glad to be able to report that ordinary life or insurance paid for in full at retirement, as age 60 for women and age 65 for men, is available in outstanding life insurance companies without medical examination or right on the part of the companies to reject for any cause, and that a large number of employees are already pro-

"Annual Message" Hits Consciousness of Millions

But few citizens this week could avoid giving some thought to life insurance. The radio broadcasts, newspaper advertising and editorial treatment, and personal activity of practically all agents in connection with "The Annual Message of Life Insurance" (Life Insurance Week rechristened) surely must have stirred the consciousness of most adults and even a good share of the children were reached by the essay contest.

In addition to the value of the week in getting the public to think about life insurance, the concentration of interest doubtless is causing thousands of producers to bestir themselves and has rekindled enthusiasm in the ranks. Hundreds of gatherings of life insurance people were held throughout the country. So numerous were these gatherings and so voluminous was the substance of the talks given that the report can only be sketchy and suggestive of the extent of the observance.

What was said and printed during the week is not "news" to readers of an insurance journal. But many things about insurance that those in the business take for granted—number of policyholders, comparison of insurance payments and public relief costs, proportion of payments to living policyholders, promotional value of insurers' investments, etc., were implanted in the minds of millions of buyers and potential buyers.

Potent Broadcast Heard

Perhaps the greatest single incident of the week was the nationwide broadcast by Secretary of Commerce Roper, "Ad-Man" Congressman Bruce Barton and J. C. Behan, Massachusetts Mutual vice-president, chairman of the "Message."

"Americans, who constitute only 7 percent of the world's population are the owners of 70 percent of the world's life insurance," Mr. Barton said. "That means that life insurance in force today in our countries totals more than 11 thousand millions of dollars. Huge as this figure appears, however, it has not yet reached a total to justify too much national pride. For it is divided among 64,000,000 individual policyholders, and the average coverage per policyholder is just slightly more than \$1,700.

Heart of the Institution

"The act of sharing the work of creating security for the individual through the combined efforts of millions is the heart of the institution of life insurance. Without the life insurance system as it exists in America today, a relatively small proportion of the 64,000,000 policyholders could possibly have made provision for the economic protection of their families and themselves.

"The persistence of policyholders during the dark days of the depression was almost miraculous. The volume of life insurance in force in this country reached its peak at the end of 1931, at 109 billion dollars. It declined only 10 percent by the end of 1933, when the tide again turned upward, and at the end of 1937 there was a total of 110 billion dollars in force, an all time record high.

"Thus, life insurance continues to grow, first because the public is convinced that it performs a service for which nothing else can be a substitute, and second because the public recognizes that in good times and in bad, the companies continue to meet their obligations when due.

"Every 60 minutes of every day in 1937, the life companies paid out to policyholders more than a quarter of a million dollars—a total of over \$2,450,000,000 for the year. Incidentally the fallacy of the idea that you have to die to win was demonstrated by the fact that of this enormous total, over 60 percent, or \$1,450,000,000 was paid to living policyholders.

"Since 1930 the life companies have paid out nearly 19 billion dollars to policyholders and beneficiaries.

"During the years 1933-1937, inclusive, the companies paid out 93 cents to policyholders and beneficiaries for every dollar paid out by federal relief agencies. Without these insurance payments suffering would have been immeasurably greater, and federal relief burdens enormously increased.

"All in all it is a fine American success story! I am glad to have a small part in these ceremonies of celebration."

STEVENSON SPEAKS

The best service job in the life insurance business at this time is being done by the agents who are performing the most adequate selling job, J. A. Stevenson, executive vice-president Penn Mutual, told the Chicago Association of Life Underwriters at a "kick off" breakfast Monday initiating the Annual Message of Life Insurance.

He said after a great flood it is more important to get things in working order than to harangue about flood control. Naturally, since the great American financial storm, everyone wants to prevent the arising of similar economic conditions in future, but right now, he said, the most important thing is to get more life insurance in operation.

Action Is Paramount Need

"With a strong financial position, public confidence and a fine group of competent underwriters all in our favor," he said, "we need no subterfuges for the acceptance of our product. But all these advantages will do us very little good under present conditions unless the abilities of underwriters like yourselves are translated into action."

Mr. Stevenson said the life insurance institution has very little debris to clear up in its own cellar after the disastrous financial flood. "I think the unfavorable criticisms of life insurance which have appeared are largely to be explained by the superlatively fine job we have done," he said. "It is always the leader who is attacked in any combat, because he is out in front, and since the growth of life insurance has been phenomenal and the financial storms of the last few years have been able to do relatively little

(CONTINUED ON PAGE 18)

Parley with Life Presidents Leaves Cummings Hopeful

**National Association of Life
Underwriters Head Predicts
Public Relations Agency**

NEW YORK—President O. Sam Cummings of the National Association of Life Underwriters told members of the New York City association at their May meeting that he had just conferred with a committee of the Life Presidents association on the establishment of a central public relations agency for the institution of life insurance.

"I doubt not that we will have one," he said.

Pointing that the recent legalization of savings bank life insurance in New York state should leave no doubt in New Yorkers' minds of the urgent need of such an agency, Mr. Cummings said that until the rise of "fantastic" ideas a few years ago almost no one had heard of savings bank life insurance and that the movement in New York constituted the first organized threat to the American agency system in 100 years.

Protection Due to Agency System

Noting that Great Britain's life insurance in force per capita is only about one-third that of the United States and about one-half of that of Canada, Mr. Cummings said this difference is mainly due to the American agency system.

"Our opportunity is the obligation and privilege of persuading the public—not waiting until they come to us," he said. "Second, to set up exactly the right insurance program to meet the buyer's needs. Third, to remind the policyholder that he should keep his insurance in force. Fourth, to complete an otherwise incomplete insurance plan. Fifth, to satisfy new insurance needs as they arise. Sixth, to change settlement options to meet changing conditions. And lastly, to see that proceeds are paid in exactly the right way to meet the needs prevailing at the time of payment.

"No clerk pushing policies over a counter can possibly render those services," Mr. Cummings emphatically declared.

Must Tell the Public

It is up to the institution of life insurance to demonstrate the truth of this statement, he said, otherwise the agency system may suffer, to the detriment of the public.

While paying the highest tribute to the C. L. U. movement, Mr. Cummings emphasized the necessity of doing something about equipping the average life insurance man to meet the demands of today. Those who have achieved the C. L. U. designation raised the prestige of life insurance everywhere, he said, but something must be done in the interests of the "average, garden variety life insurance man, who is lucky to write \$125,

(CONTINUED ON PAGE 18)

LIFE COMPANIES ARE GRADED IN FOUR CATEGORIES

By J. H. RADER

Some question exists as to whether insurance in force should be the sole gauge of a company's size and position in the business. In other lines of insurance premiums written are emphasized, but the nature of the life insurance business does not allow it to be properly measured on that basis. In the table this week, therefore, is given the rankings of the 100 companies having the most assets, largest total income, highest premium income and greatest amounts paid to policyholders.

As might be expected, Metropolitan and Prudential head all of these lists, just as they do the ranking by insurance in force, with the New York Life in third position in all but premium income. In that classification, New York Life trades places with the Equitable Society, which is fourth in all of the other items. Going down the list there is a wider variation and toward the bottom several companies appear among the first 100 in only one or two classifications.

In some instances these tables are affected by the type of business written. As an example, the Travelers, writing non-participating business, will have a lower premium income, lower total income, and the absence of dividends will produce a lower amount paid to policyholders than will be the experience of a participating company of similar size in other respects; thus, the Travelers stands ninth in total income and total paid policyholders, eighth in premium income, although it is seventh in size in respect of assets. Another example is Aetna Life, which stands in tenth place in the last three columns, but the lower amount of reserve required on its group business places it thirteenth in assets. The slight variation of John Hancock standings across the page might be traced to industrial business.

On the average, about 30 percent of the total income is from sources other than premium payments, the premium income being 69.1 percent of the total income. Also, during 1937, these companies paid to policyholders, in the form of death claims, endowments, dividends and annuities, 66.3 percent of the money that was received in premiums during the same year. In other words, approximately two-thirds of the money taken in through premiums was returned in the same year, with only one-third being required for reserves and expenses.

ADMITTED ASSETS

1. Metropolitan	\$4,719,720,827
2. Prudential	3,584,334,702
3. New York	2,520,350,216
4. Equitable, N. Y.	2,105,542,759
5. Mutual, N. Y.	1,349,057,256
6. Northwestern Mut.	1,178,428,637
7. Travelers	914,463,948
8. John Hancock	855,035,388
9. Sun Life, Can.	828,487,776
10. Penn Mutual	668,082,455
11. Mutual Benefit	645,888,531
12. Mass. Mutual	609,688,369
13. Aetna Life	577,272,331
14. New England Mut.	402,321,303
15. Union Central	359,411,605
16. Provident Mutual	331,213,784
17. Connecticut Mut.	312,223,793
18. Canada	261,314,861
19. Pacific Mutual	227,378,109
20. Connecticut Gen.	227,284,676
21. Phoenix Mutual	222,942,567
22. Bankers, Ia.	216,265,044
23. National Life, Vt.	195,971,064
24. State Mutual, Mass.	175,615,016
25. Equitable, Ia.	170,456,639
26. Mutual, Can.	169,508,057
27. Western & Southern	163,298,265
28. Great-West, Cas.	156,805,466
29. Manufacturers, Can.	154,938,935
30. Lincoln National	139,346,396
31. Guardian, N. Y.	124,770,586
32. General American	123,942,534
33. Confederation, Can.	120,217,478
34. Fidelity Mutual	117,860,424
35. London Life, Can.	117,445,684
36. Reliance, Pa.	108,428,344
37. Kansas City	105,244,271
38. Home Life, N. Y.	96,183,348
39. Life Ins. Co. Va.	95,346,724
40. Imperial, Can.	83,933,962
41. Teachers Ins. & Ann.	80,444,611
42. Jefferson Std.	73,194,594
43. Acacia Mutual	72,775,922
44. American National	64,420,881
45. Northwestern Natl.	64,898,095
46. Berkshire	58,901,502
47. North Amer. Can.	58,586,179
48. Southwestern	57,454,590
49. National L. & Acc.	54,891,980

50. Occidental, Cal.	53,047,456
51. State, Ind.	51,648,954
52. Calif.-West, States	48,399,455
53. American United	47,731,231
54. Great Southern	47,550,024
55. Central Life, Ia.	44,578,893
56. Columbian Natl.	44,046,905
57. Ohio National	43,645,098
58. Minnesota Mut.	40,926,189
59. Mutual Trust	40,750,839
60. Bankers, Neb.	40,577,474
61. Dominion, Can.	36,825,154
62. Franklin	35,627,116
63. Pan-American	34,108,930
64. Hercules	33,446,380
65. Illinois Bankers	33,230,375
66. Crown, Can.	30,771,878
67. Columbus Mutual	29,788,521
68. Southland	28,506,068
69. Atlantic, Va.	28,460,614
70. Monumental	28,102,484
71. Continental, Ill.	27,411,273
72. Midland Mutual	27,407,728
73. Presbyterian Minst.	26,876,224
74. Yeoman Mutual	26,851,307
75. Mass. Savings Bank	26,123,367
76. West-Coast	23,885,723
77. Volunteer State	23,521,213
78. Security Mut., N. Y.	22,416,333
79. Union Mutual, Me.	21,681,564
80. Excelsior, Can.	21,595,777
81. Continental-Amer.	21,131,862
82. Central States	20,961,676
83. Old Line, Wis.	20,549,854
84. Indianapolis	20,407,495
85. Guaranteed Mutual	20,256,888
86. Manhattan	19,823,282
87. Colonial	19,579,201
88. Life & Casualty	19,297,563
89. Ohio State	18,514,986
90. Sun Life, Md.	18,157,807
91. Alliance, Ill.	18,123,657
92. Pilot, N. C.	18,050,681
93. Commonwealth	17,861,733
94. Northern, Wash.	17,222,571
95. American, Mich.	17,016,875
96. Postal, N. Y.	16,687,954
97. Federal, Ill.	16,421,076
98. North Amer. Reas.	16,413,003
99. Baltimore	16,340,038
100. Oregon Mutual	16,299,589

TOTAL INCOME

1. Metropolitan	\$1,014,988,391
2. Prudential	859,373,271
3. New York	434,066,948
4. Equitable, N. Y.	408,353,475
5. Mutual, N. Y.	227,339,024
6. Northwestern Mut.	204,914,173
7. John Hancock	200,179,790
8. Sun Life, Can.	171,789,471
9. Travelers	158,752,691
10. Aetna	126,196,285
11. Penn Mutual	118,104,611
12. Mass. Mutual	117,186,327
13. Mutual Benefit	110,555,610
14. New England Mut.	82,453,946
15. Union Central	66,996,452
16. Connecticut Mut.	62,028,317
17. Provident Mut.	55,365,311
18. Connecticut Gen.	54,052,783
19. Phoenix Mutual	45,427,060
20. Canada	41,036,840
21. Bankers, Ia.	38,203,419
22. Western & Southern	37,317,425
23. Lincoln National	35,440,991
24. Pacific Mutual	33,260,314
25. National Life, Vt.	33,237,480
26. Manufacturers	32,875,900
27. Equitable, Ia.	30,501,476
28. State Mutual, Mass.	30,378,711
29. Mutual Life, Can.	29,044,421
30. Great-West, Can.	27,015,770
31. Guardian, N. Y.	26,817,465
32. National L. & Acc.	24,838,016
33. London Life, Can.	24,311,839
34. Confederation, Can.	23,822,205
35. General American	23,745,043
36. Occidental, Calif.	22,071,327
37. Reliance, Pa.	22,037,829
38. Fidelity Mutual	21,526,467
39. Life Ins. Co. Va.	20,985,012
40. American National	19,485,025
41. Kansas City	19,225,881
42. Home Life, N. Y.	18,515,016
43. Jefferson Standard	15,949,898
44. Acacia Mutual	15,710,614
45. Imperial, Can.	15,098,185
46. Northwestern National	14,212,112
47. Teachers Ins. & Ann.	13,343,821
48. Southwestern	12,613,817
49. North Amer. Can.	11,839,658
50. Berkshire	11,238,265
51. Calif.-Western States	10,156,772
52. Minnesota Mutual	9,349,945
53. Great Southern	9,245,070
54. State Life, Ind.	8,938,376
55. American United	8,837,939
56. Washington National	8,787,526
57. Life & Casualty	8,751,126
58. Dominion, Can.	8,573,787
59. Monumental	8,457,752
60. Ohio National	8,349,731
61. Crown, Can.	8,111,868
62. Mutual Trust	8,041,058
63. Provident L. & A.	7,982,960
64. Columbian National	7,938,566
65. Pan-American	7,663,790
66. Central Life, Ia.	7,495,556
67. Columbus Mutual	7,245,743
68. Southland	7,175,056
69. Continental, Ill.	7,013,289
70. Franklin	6,753,461
71. Hercules	6,438,079
72. Mass. Savings Banks	6,321,854
73. Business Men's	6,108,671
74. Midland Mutual	5,643,170
75. Illinois Bankers	5,559,597
76. Colonial	5,529,979
77. Atlantic, Va.	5,527,061
78. West-Coast	5,498,898
79. Bankers, Neb.	5,101,317

PREMIUM INCOME

1. Metropolitan	\$ 746,960,419
2. Prudential	654,370,389
3. Equitable, N. Y.	279,866,843
4. New York, N. Y.	266,852,322
5. Mutual Life, N. Y.	154,524,584
6. John Hancock	152,637,276
7. Northwestern Mut.	128,785,444
8. Travelers	113,207,725
9. Sun Life, Can.	113,206,504
10. Aetna	90,056,989
11. Penn Mutual	71,205,618
12. Mutual Benefit	69,282,826
13. Mass. Mutual	68,070,066
14. New England	56,929,007
15. Connecticut	40,239,763
16. Life Ins. Co., Va.	38,194,164
17. Provident Mutual	33,846,264
18. Western & Southern	27,060,365
19. Phoenix Mutual	26,251,907
20. Canada Life	20,505,325
21. Bankers, Ia.	19,421,815
22. Manufacturers	18,318,882
23. Mutual Life, Can.	17,619,829
24. Guardian, N. Y.	17,074,344
25. Great-West, Can.	16,861,102
26. London Life, Can.	16,532,356
27. Confederation, Can.	16,307,681
28. American National	16,273,881
29. Reliance, Pa.	16,018,733
30. Life Ins. Co., Va.	15,858,617
31. General American	14,334,382
32. Kansas City	13,768,201
33. Provident Mutual	13,347,976
34. National L. & A.	12,340,674
35. National Life, Vt.	12,081,249
36. Pacific Mutual	10,545,835
37. Equitable, Ia.	19,421,815
38. State Mutual, Mass.	17,619,829
39. Mutual Life, Can.	17,074,344
40. Acacia Mutual	16,861,102
41. North Amer. Can.	16,532,356
42. Berkshire	16,251,907
43. State Life, Ind.	15,037,165
44. Calif.-Western States	14,979,777
45. Great Southern	14,622,450
46. Columbia National	14,334,382
47. Minnesota Mutual	14,035,488
48. Excelsior, Can.	13,523,881
49. Ohio National	13,195,387
50. Mutual Trust	12,925,432
51. Franklin	12,630,048
52. Pan-American	12,330,488
53. Dominion, Can.	12,037,510
54. Hercules	11,735,301
55. Southland	11,530,488
56. Mass. Savings Bank	11,235,532
57. Occidental, Calif.	10,935,387
58. Life & Casualty	10,637,510
59. Illinois Bankers	10,338,725
60. Great Southern	10,039,660
61. Crown, Can.	9,737,364
62. Atlantic, Va.	9,436,821
63. Postal Life, N. Y.	9,135,331
64. Union Mutual, Me.	8,805,729
65. Life Ins. Co., Detroit	8,505,729
66. West-Coast	8,298,424
67. Yeoman Mutual	8,005,729
68. North Amer. Reassur.	7,714,241
69. Columbus Mutual	7,418,549
70. Midland Mutual	7,181,241
71. Colonial	7,118,178
72. Monumental	7,110,216
73. Volunteer State	7,078,792
74. Great Southern	6,960,224
75. Continental, Ill.	6,938,877
76. Crown, Can.	6,627,324
77. Great Southern	6,399,860
78. Crown, Can.	6,274,221
79. Columbia National	6,033,357
80. Mass. Savings Bank	5,913,694
81. North Amer. Can.	5,770,331
82. Ohio National	5,733,034
83. Mutual Trust	5,718,524
84. Franklin	5,610,459
85. Pan-American	5,492,186
86. Continental, Ill.	5,358,733
87. Columbia National	5,033,357
88. Minnesota Mutual	4,931,694
89. Excelsior, Can.	4,732,845
90. Life & Casualty	4,610,224
91. Ohio National	4,391,521
92. Boston Mutual	4,035,729
93. Shenandoah	3,819,652
94. Central States	3,605,510
95. Baltimore	3,570,917
96. Home Beneficial	

Murphy Renamed N. Y. State Head at Utica Meeting

Wertimer Endorsed for National Trustee — Headliners Address Sales Congress

By RALPH E. RICHMAN

Edwin A. Murphy, district manager John Hancock Mutual Life, Rochester, was reelected president of the New York State Association of Life Underwriters at the annual meeting in Utica. Spencer L. McCarty, Provident Mutual, Albany, is the new vice-president and Arthur V. Youngman, Mutual Benefit, New York City, is the new secretary.

Mr. Murphy paid tribute to Mr. McCarty, who was chairman of the legislative committee during the past year and directed the fight against savings bank life insurance, succeeding with the help of local members, in greatly modifying the savings bank bill as originally introduced. Delegates from local associations gave a rousing demonstration for Mr. McCarty when he started and concluded his report.

Premonitions of Attack

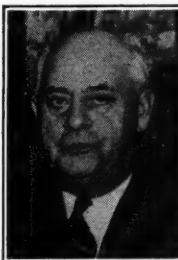
Prior to the 1938 session there were many premonitions of life insurance attack, Mr. McCarty said. General attacks had been made on banks, utilities and other big business for several years, attacks which had not succeeded in life insurance only because attentions were directed elsewhere. Bills increasing taxation, reducing policyholder's loan interest and substituting new mortality tables were warning signs. Antagonistic books and news comments, he described as symptomatic. Then when a governor, following several years of depression, put savings bank life insurance on his legislative must list, and the legislation was not made a party issue, the agents found a set up extremely difficult to modify. That the bill was relieved of its most objectionable parts is considered by those familiar with legislative fights to be a first class achievement.

Became Real Power

For the first time, Mr. McCarty said, the New York association made itself felt as a power in the state, acting independently of other groups. Several bills were defeated including one, passed by the assembly, which would have required all contracts to be written basically as ordinary life with changes to endowment or other forms to be made by rider and providing for return of portions of the premium upon specific demand of the policyholder when policies were converted into different types of contracts.

Julian S. Myrick, Mutual Life, New York City who is honorary state president, said the best answer to life insurance critics is to recite its record for the last 10 years. On motion of Clancy Connell, Provident Mutual, New York city, the association voted to present to the National association nominating committee the name of Sydney Wertimer, Prudential, Buffalo, as a candidate for trustee.

Frank H. Wenner, general agent, Connecticut Mutual, Utica, former president, outlined the functions of local associations and mentioned particularly un-



E. A. MURPHY

How Bay State Savings Bank Insurance Plan Functions

In view of the current interest in savings bank life insurance due to the fact that the New York legislature has just recently passed a law to enable such a system to be created in that state, THE NATIONAL UNDERWRITER herewith presents some of the facts about the actual operation of the plan in Massachusetts during the past 29 years. A good many insurance people outside of Massachusetts have only a vague conception of how the plan works and the preparation of this article was prompted by several requests for information regarding specific details.

BOSTON.—Savings bank life insurance was launched in Massachusetts by the signing of a bill which became chapter 561 of the 1907 acts of the legislature. The author was L. D. Brandeis, formerly of Boston, now associate justice of the United States Supreme Court, and was a protest against the alleged high cost of life insurance furnished by the existing companies. W. C. Wright, son of Elizur Wright, founder of the Massachusetts department, was employed by Judge Brandeis as consulting actuary before the plan was put into operation.

Policy Forms Identical

The plan provided that any Massachusetts savings bank could adopt the system by raising \$20,000 for surplus and \$5,000 for expenses from individuals. Policies could be issued for \$500 on a single life by a single bank with annuities of \$200. In 1915 the amount of straight life which could be issued by a single bank was raised to \$1,000.

The insurance is a contract between the individual and the particular savings bank. The policy forms, and all forms, are prepared in the division of savings

bank life insurance, which was set up to carry on the system, but policy forms are subject to final approval by the insurance commissioner and sometimes approval by the banking commissioner is required also. The actuary in the division of savings bank life insurance prepares the forms and rates.

Straight life, limited payment life, endowment and five-year term policies are issued. There are immediate and deferred annuity contracts. The policy forms for all banks are identical.

The dividends are calculated and recommended by the division of savings bank life insurance and may or may not be uniform.

The savings bank division prepares a basic rate of dividend scale and the individual banks pay a dividend that is a percentage of that scale. This has varied in the 29 years from 60 to 100 percent. Many banks which have paid below the scale in one year have evened up by paying extra dividends only to those who had been paid less than the 100 percent basic rate, previously. The system used 3% interest reserve rate and the American Experience Table previous to Nov. 1, 1935 and since that time has used 3 percent. The present interest rate in the dividend formula is 3.75, while the net earnings last year were 3.91.

Examination Procedure

Applicants are examined by local examiners throughout the state and their reports are sent to the medical director at the offices of the system in the state house. During the 29 years there has been an average mortality experience of about 40 percent.

There are 24 savings banks issuing the

(CONTINUED ON PAGE 27)

Ham Gives Reply to Pink on Examination Issue

Utah Commissioner Sides with N. Y.—Boney Gives Views—Companies Anxious

CHEYENNE, WYO.—Commissioner Ham of Wyoming has made public his reply to Superintendent Pink of New York in regard to the heated controversy in connection with the procedure governing examination of New York companies. Mr. Pink last week released for publication his letter to Mr. Ham, as secretary of the Western Conference of Insurance Commissioners. The New York superintendent in that letter stated that he is not prepared to modify his stand against permitting other states to participate in the examination of New York companies and that if the majority of the states are out of sympathy with the New York attitude, he will be compelled to resign from the National Association of Insurance Commissioners.

Text of the Reply

Mr. Ham, in his reply, states that he is speaking for himself alone and not for the western commissioners' conference. He writes as follows:

"Your letter of April 29 came while I was away. I have read it a dozen times since my return and I am still of the opinion that the New York department is taking a very selfish attitude.

"I have not had an opportunity to contact the members of the western conference, so my remarks are to be considered as personal and unofficial.

"You state that the plan is unworkable and impractical. The many other states who have subscribed wholly to this zone system are very happy over the results and I am unable to reconcile myself to your conclusion.

"I cannot see where the cost under the zone plan need materially increase for if the entire United States were represented, you would need have but five outside examiners representing the five outside zones. The increased cost of examinations mentioned in your letter may have been due to the fact that they were more complete than those conducted by the department. While it is true that the present custom is to charge \$25 per day, you must appreciate the fact that these men are not fully occupied and that their annual income, even under this scale, would be lower than is paid to your departmental examiners.

N. Y. Company Failures

"Under your interpretation of the theory of convention examinations which is set forth in the by-laws of the N.A.I.C., we could expect no participation on the examinations of any companies unless they presented some unusual conditions.

"As I look back over the record, I find a number of New York fire and casualty companies which during the past few years have ceased to exist, and as far as the records of this department show, we received no indication that they were in difficulties until they were placed under your charge.

"As I told you in my former letter, you need have no fear as to the quality of the examiners that would be sent to you. I feel quite sure you will find them comparing very favorably with those of your own department.

"Do you feel that it is unreasonable for states who contribute approximately 80 percent of the premium income of your companies to ask for participation in their examinations? This is not a thought that has originated with the

(CONTINUED ON PAGE 27)

INDESTRUCTIBLE

During the 1929-30 securities crash innumerable holders of what had been non-speculative securities were ruined along with the mad multitude of speculators.

Many standard bonds defaulted for the first time in interest payments, and stocks that had been the old-age mainstay of numberless men and women, and never before had failed, either ceased to pay dividends or reduced the rate violently. Investment counsellors, even the most conservative, did not foresee the extent and character of the market's wreckage, nor its continuance until the present day.

Perilous it is for the layman to subject his savings to the destruction which economic forces and conflicts, like those of the last few years, may cause.

Permanent forms of life insurance contracts have magnificently proved themselves to be a wholly safe conservator of the average man's savings or surplus. Indestructible savings, combined with indestructible life insurance protection.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

W.M. H. KINGSLEY, President

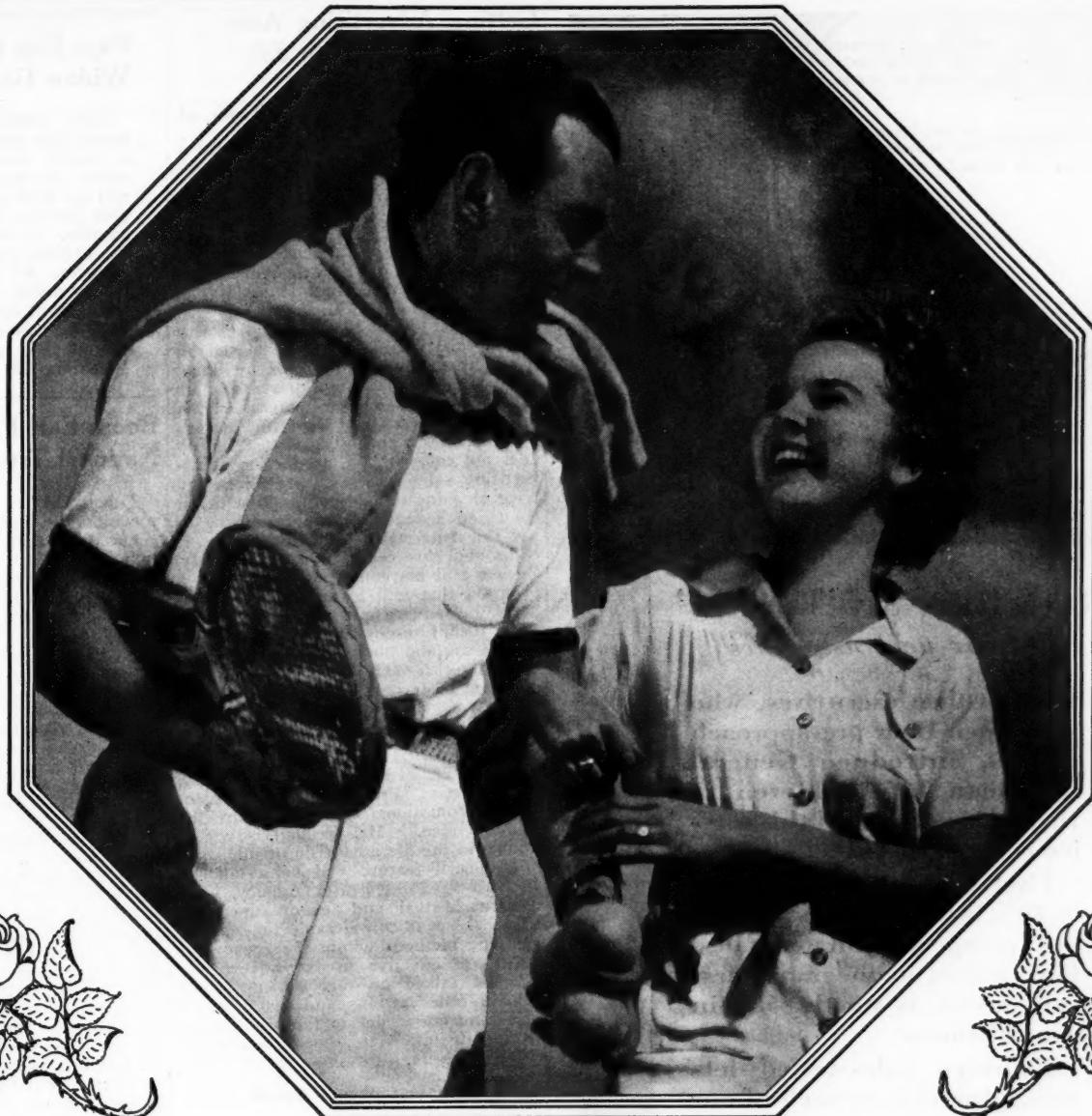
Independence Square

PHILADELPHIA

Mutual Life Advertising
continues its appeal to the Agents' natural
calendar of life insurance opportunities.

Here is the June message—
in magazines with a total circulation of
8 millions, serving as a nation-wide introduc-
tion of Mutual Life representatives to young
people who will be graduating, marrying,
getting their first jobs, or perhaps their first
raises—the new America in the making.





Forward flows the tide of youth!

Forward from the high schools, prep schools, trade schools, the schools of agriculture, the colleges.

This is the America of tomorrow in the immediate making, young people with their hearts keenly set upon achievement . . . achievement in the professions, the arts, the crafts, and in engineering, in finance, in trade.

To all of you, *success!* May you have the strength, the courage, the foresight to plan wisely and hold your course!

Take advantage early of the helpful counsel offered by the agency representatives of The Mutual Life Insurance Company of New York.

Begin a lasting friendship with the one who will call on you! Learn how to safeguard your future through the strength, security and service of life insurance.

"THE DOLLAR THAT KEEPS ON GROWING" is The Mutual Life's 20 page booklet with a valuable message for you. A Mutual Life representative has YOUR copy or it can be obtained by writing to the address below.

The Mutual Life Insurance Company of New York

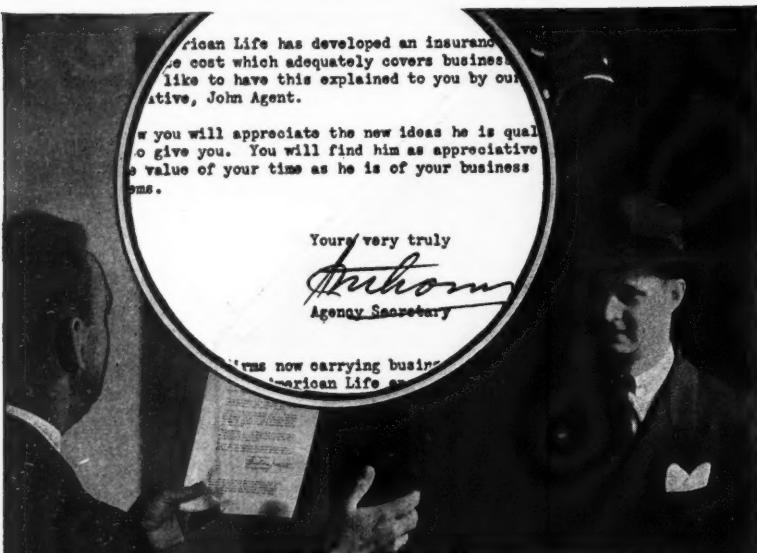
DAVID F. HOUSTON President
34 Nassau Street, New York

FIRST POLICY ISSUED



FEBRUARY 1, 1843

An advertisement by The Mutual Life Insurance Company of New York in June National Magazines



Open Doors Say "Come In" to our field associates

Home Office executives, who sign Open Door pre-approach letters, introduce General American Life fieldmen to their prospects. And this service is given cost-free.

First call follow-ups result in 80% interviews, 65% qualified prospects and 6% sales. Each letter, on one man's first call record, is worth \$5.35 in commissions.

Fourteen sales-tested letters, adaptable to each of our multiple lines, are available. Our field associates express their appreciation for these letters by the profitable use they make of them.

GENERAL AMERICAN LIFE INSURANCE COMPANY

WALTER W. HEAD, President
St. Louis, Missouri

MULTIPLE LINES

Participating • Non-Participating • Salary Savings • Juvenile • Sub-Standard • Annuities • Commercial Accident & Health • Group Life • Wholesale Insurance • Group Accident and Sickness • Group Accidental Death and Dismemberment • Group Hospitalization



Getting Advertising Aids Into Use Is Difficult Job

Problem Will Be Chief Topic of Eastern Round Table at June 1 Meeting

"Guides to More Effective Use of Advertising" will be the theme of the eastern round table of the Life Advertisers Association at the Hotel Pennsylvania, New York, June 1. Chairman Royden C. Berger, Connecticut Mutual, states that special emphasis will be placed on the methods now being used by home offices to stimulate the most effective use of sales promotion material. Life insurance advertising departments are realizing, more and more, that their job does not end with the production of advertising sales aids. They realize they have an educational job to do when it comes to instructing the agent how to use the material to best advantage. It is around this central theme that Mr. Berger and his committee have built a program that will feature many prominent life advertisers. Included is an open forum discussion on new angles on the use and purpose of sales promotion material. This will be under the direction of Jerome A. Young, Monarch Life.

Discussions on How to Do It

Arthur H. Reddall, Equitable Society, will discuss "Promoting the Use of Sales Promotional Material from the Home Office." Mr. Reddall is widely known in the life advertising field.

A special feature will be a talk by Richard E. Pille, Fraser Agency, Connecticut Mutual, and agency supervisor who has spent considerable time in developing methods within the agency for the more effective use of advertising. He has talked on this subject before several other groups and his practical ideas and knowledge of the problem led to his invitation to appear before the life advertisers.

Famous Photographer to Speak

A guest speaker from the field of general advertising will be Victor Keppler, nationally known photographer. Mr. Keppler established his reputation on black and white photography for advertising purposes, and with the advent of direct color, he has done particularly outstanding work in this field. His color photos have appeared on the cover of the "Saturday Evening Post," and he did the photography for all the covers of the "New York Woman." He also was commissioned to take the first color picture of Dr. Dafoe. His talk before the life advertisers will feature interesting anecdotes, new developments in photography, and the many steps involved in taking an advertising illustration.

C. T. Steven, Phoenix Mutual, president of the L. A. A., will open the meeting with an address of welcome.

W. B. Harrison Qualifies for Post in Georgia

ATLANTA—Commissioner Harrison of Georgia qualified as a candidate to succeed himself by payment of entrance fee of \$250 to the Democratic executive committee. He has been comptroller general and commissioner since 1929, when he was appointed to succeed W. A. Wright. He had been chief clerk in the office for 12 years, thus has served 20 years in the office.

Observes 10th Anniversary

Town & Village Insurance Service, Columbus, O., commemorated its 10th anniversary with a dinner at which George A. Adsit, manager of agencies Girard Life, was the principal speaker.

Pays One Premium; Widow Gets Income

LOS ANGELES.—The Occidental Life has begun payment on a family income policy under which the widow of the insured will get \$100 per month, plus surplus interest, for a period of 323 months. In addition she will get the \$10,000 principal when policy matures. All this is the result of the payment of a single annual premium of \$288. The policy was in force less than 30 days. The insured was Harry Burchell of Vancouver, B. C.

Boom Earl F. Colborn for National Trustee

The Rochester Life Underwriters Association has endorsed Earl F. Colborn, general agent in Rochester for Connecticut Mutual Life, for trustee of the National Association of Life Underwriters. He is the second New Yorker to be brought forward recently. The state association has endorsed Sidney Werner, Prudential, Buffalo.

Booms have been started in Texas for O. D. Douglas, Lincoln National, San Antonio, and S. R. Hay, Jr., Great Southern, Houston.

Mr. Colborn was born in Ohio. He graduated from Miami University, and received an M. A. degree in 1908 at University of Cincinnati. Then he held fellowships at the University of Chicago. In 1910 he returned to Miami University as head of the department of history and government. After several years he decided to enter life insurance.

In 1915 he joined Connecticut Mutual at Rochester, and has been with that company ever since. In 1916 he was appointed general agent as a partner in the Hills & Colborn agency. He was given sole charge of the agency in 1918. In 1924 the Rochester and Syracuse agencies were consolidated as the Earl F. Colborn agency.

Since 1924 the agency has placed over \$56,000,000 on the books; has several times ranked as the company's second agency in production; from 1930-36 took first place in increase in insurance in force among agencies having \$25,000,000 or more on the books; has won the president's trophy one year.

Mr. Colborn was a director of the Rochester association a number of years; is chairman program committee, and other important committees and has been president.

He helped organize the Rochester Life Managers Association and was president.

He has been national committeeman, representing the Rochester association, since 1928. He is a member of the national committee on cooperation with trust officers and publications committee.

He has been active in the Community Chest, Rochester Ad Club, Chamber of Commerce, and Sales Managers Club. He is membership division leader and chairman of police adequacy committee of the chamber.

Bryant to Run in Kansas

W. W. Bryant, who has been in insurance work at Overland Park, Kan., for 20 years, has announced his candidacy on the Republican ticket for insurance commissioner of Kansas in the August primary. It is his first bid for office. He was at one time chairman of the legislative committee of the National Fraternal Congress. Commissioner C. F. Hobbs is seeking a sixth term.

Cincinnati Agency Leads

The R. G. Leuzinger agency of the Phoenix Mutual, Cincinnati, led all agencies of the company in percent of quota attained the first week of a five weeks' production campaign beginning April 25, thereby winning an outing.

Advertising Conference Spring Meeting Program

Number of Events Are Scheduled for the Meeting Next Week

NEW YORK.—Among the speakers selected to strike the keynote of the annual spring meeting of the Insurance Advertising Conference, May 19, at the Hotel Roosevelt, New York City, are H. C. Flower, Jr., vice-president J. Walter Thompson Co., and H. K. Schaufler, assistant manager National Board of Fire Underwriters.

After the general meeting, which will be opened by Arthur A. Fisk, advertising manager of the Prudential, president of the conference, the chairman of the day's proceeding Ray C. Dreher, vice-president of the I. A. C., and publicity manager the Boston and Old Colony Fire, will take the chair.

Topics for Life Session

The question of whether the problems affecting life insurance advertising are the same as those of other businesses will be one of the subjects discussed at the life session, under the chairmanship of C. E. Crane, National Life of Vermont. The program for that session follows:

"Building Institutional Good Will," H. E. Richmond, Metropolitan; "Factors Other Than Circulation Figures to Be Considered in Selecting Magazines for Advertising," A. H. Thiemann, New York Life; "You Can't Sell Life Insurance from a Catalogue," H. H. Putnam, John Hancock; "Cultivating Prospects for Life Insurance," W. R. Chapman, Northwestern Mutual; "Our Life Insurance Advertising Problems the Same as Those of Other Businesses," E. M. Hunt, Mutual Life of New York, and "Agency Periodicals," A. H. Reddall, Equitable Society.

Boom O. D. Douglas, Texas, for National Trustee

SAN ANTONIO—Directors of the San Antonio Association of Life Underwriters have adopted a resolution recommending to the nominating committee O. D. Douglas for trustee of the National association. D. J. Farrell, previously president San Antonio association, appointed committee of past presidents of the Texas and San Antonio associations to be known as "O. D. Douglas for trustee" committee.

Mr. Douglas is Texas manager of Lincoln National Life. At the recent Richmond mid-year meeting of the National association Mr. Douglas was elected as chairman of the nominating committee. On May 16 in San Antonio, Mr. Douglas will be specially honored at a meeting of the association of that city. O. P. Schnabel, Jefferson Standard Life, was named chairman. Past State Presidents Homer Hewitt and Joe Smith of Houston, Ricks Strong of Dallas, Matt Brown of San Antonio and R. A. Hittson, now of Tulsa, have agreed to serve together with San Antonio past presidents, B. G. Lane, M. Brown, L. C. Lampe, W. P. Fogarty, J. L. Lawrence and Paul Creamer.

Mr. Douglas has served as president San Antonio association, president San Antonio Life Managers Club and now is president Texas association. He started as a personal producer in Mission, Tex., in 1913 and since 1920 has been Texas general agent of Lincoln National. His agency has \$60,000,000 in force and writes annually \$10,000,000 to \$12,000,000.

W. W. Klingman, Texas manager for the Equitable Society, spent the past week in St. Paul where he was formerly district manager. He was accompanied by Mrs. Klingman.

Transportation Plans for Quebec Convention

A. J. Ham, Wyoming insurance commissioner, is arranging for transportation to the annual meeting of the National Association of Insurance Commissioners at the Hotel Frontenac, Que., June 15-17 so far as the western section is concerned. Most of the commissioners will arrive at Quebec, June 14. Those in the far west will reach Cheyenne the morning of June 11. Passengers coming on the Overland Limited or Los Angeles Limited will transfer at Cheyenne into the Portland Rose, which will leave as soon as all transfers are made, probably about 8 a. m. The train will reach Omaha at 8:10 p. m., the same day over the C. & N. W., arriving in Chicago, 8:35 a. m., June 12. If there are sufficient reservations from Omaha and the west it is possible that the car will go on to Montreal. The party will leave Chicago at 9:30 a. m., Sunday, June 12, over the Canadian Pacific and arrive in Montreal at 7 a. m. the next morning, spending the day there and leaving at 6:45 p. m. by boat via the Canada Steamship Line. The boat will reach Quebec early June 14. All who intend to make this trip should write to Mr. Ham at the state house in Cheyenne.

Bankers Life Ranking Agencies

The ten top-ranking Bankers Life of Iowa agencies in April were: San Antonio, Chicago, Des Moines, Pittsburgh, Cedar Rapids, San Francisco, Toledo, West Virginia, J. E. Flanigan Agency of New York and Indiana.

NEWS OF WEEK

Annual message of Life Insurance this week hits public consciousness. Page 1

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President O. Sam Cummings of National Association of Life Underwriters, following conference with Life Presidents Association, predicts establishment of central public relations agency. Page 1

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Controversy in connection with the attitude of New York towards examination of New York companies continues with Commissioners Hamm of Wyoming, Neslen of Utah and Boney of North Carolina expressing their views. Page 3

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Table is presented giving the ranking of 100 companies in respect of assets, total income, premium income and amounts paid to policyholders. Page 2

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Savings bankers demand priority of bondholders' rights in rail reorganizations. Page 8

* * *

Edwin A. Murphy of Rochester is re-elected president of the New York State Life Underwriters Association at the annual meeting at Utica. Page 3

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Program is announced for the annual spring meeting of the Insurance Advertising Conference in New York City. Page 7

* * *

Life companies may expect federal counts to continue narrow concept of reserve deduction provision in U. S. revenue law, D. J. Kadyk tells Chicago Life Insurance Lawyers Club. Page 12

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Tentative program details of A. L. C. Medical Section annual meeting at Asheville, N. C., June 16-18, are announced. Page 10

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The first regional unit of the National Association of Life Underwriters is launched at Baltimore sales congress. Page 12

* * *

American Life of Detroit custodianship hearing is held. Page 14

* * *

Program is announced for meeting of the Association of Life Insurance Counsel in Hot Springs, Va., May 27-28. Page 8

* * *

New York City Life Underwriters association slate is announced. Page 22

* * *

Sales congress at Utica, N. Y., distinguished by all-star program. Page 27

92 YEARS of DEPENDABLE PERFORMANCE

...That Compelling Force

It is man's nature to procrastinate and unless there is some compelling force to drive a man to do a task today, he is apt to postpone doing it until tomorrow.

But waiting until tomorrow may bring disastrous results—especially to one's family if life insurance is the subject of procrastination.

Some of the deceased policyholders listed below probably would have procrastinated and died without any life insurance, had it not been for the "compelling" force of some Connecticut Mutual representative.

The agency force of America is the surest protection for a man and his family against the ravages of procrastination.

Some First Year Death Claims

Age	Age	Occupation	Cause Death	Paid by Insured	Paid by Company	Gain
42	43	Manager Bread Co.	Pneumonia	\$ 104.08	\$ 2,500	\$ 2,395.92
33	38	Funeral Director	Cancer	72.38	2,500	2,427.62
42	42	Millwright	Toxic Goitre	33.18	1,000	966.82
45	45	Lawyer	Cerebral Hemorrhage	1,415.00	20,800	19,385.00
34	35	Farmer	Acc.—Falling Timber	27.46	2,000*	1,972.54
45	45	Salesman	Acute Dilation of Heart	55.62	1,500	1,444.38
63	63	Executive	Cancer	1,705.80	20,000	18,294.20
33	33	Lawyer	Meningitis	67.58	5,000	4,932.45
49	49	Housewife	Cancer	1,013.37	1,700	986.63
25	26	Teacher	Meningitis	30.11	1,000	968.89
25	26	Farmer	Acc.—Fractured Skull	46.26	1,200	1,153.74
26	27	Trucking Business	Tuberculosis	30.47	1,000	969.53
24	25	Photo Engraver	Auto Accident	35.74	1,040	1,004.26
53	54	Int. Rev. Inspect.	Abscess of Lung	67.53	2,500	2,432.47
35	35	Clerk	Fibromyoma	35.82	1,000	964.18
41	41	Nursery Business	Auto Accident	13.63	1,000	986.37
37	38	Salesman	Acc.—Lightning Shock	352.25	10,000*	9,647.75
37	38	Salesman	Acc.—Lightning Shock	90.81	6,000*	5,909.19
33	34	Housewife	Post Anesthetic Acc.	198.15	5,000	4,801.85
41	41	Executive	Auto Accident	74.00	5,000	4,926.00
41	41	Executive	Acc.—Kicked by Horse	33.43	1,000	966.57
22	22	Stock Clerk	Intestinal Obstruction	57.15	1,337	1,279.85
36	36	Mechanic	Appendicitis	112.70	5,200	5,087.30
30	30	Assistant Sup't.	Mastoiditis	417.80	10,000	9,582.20
48	48	Salesman	Auto Accident	21.55	2,000*	1,973.45
24	25	Service Sta. Oper.	Typhoid Fever	89.34	3,000	2,910.66
57	57	Physician	Coronary Occlusion	96.45	1,000	903.55
34	34	Merchant	Auto Accident	203.85	5,200	4,996.15

*Includes Double Indemnity.

CONNECTICUT MUTUAL
LIFE INSURANCE COMPANY • HARTFORD

Savings Bankers Ask Priority for Senior Rail Bonds

Institutions Rank with Life Insurance as Large Holders of Roads' Securities

NEW YORK—Mutual savings banks, which rank with life companies among the large investors in railroad securities, took a strong stand in behalf of the rights of senior lien holders at their national convention here. Member banks in the National Association of Mutual Savings Banks have somewhat more than \$1,000,000,000 in railroad bonds. The life companies hold approximately \$3,134,000,000 in railroad investments.

Taking the position that "failure to adhere to the priority rights of senior mortgage bondholders in railroad reorganizations will inevitably destroy the credit of railroads," the convention adopted a resolution asking that the bankruptcy laws covering reorganization of railroads be amended, first, to provide that the mortgage bondholders shall have the right to foreclose their mortgage upon the property given as security in the event that a plan of reorganization is not adopted within a definitely limited period; and second, to remove any ambiguity in the treatment of secured creditors by providing that the rights of priority shall be fully recognized.

See Losses for Stockholders

While some speakers expressed doubt whether stockholders who have invested hundreds of millions of dollars have any equity left in some of the railroads now in receivership, W. M. W. Splawn, chairman of the interstate commerce commission, took a somewhat more optimistic view. Though he conceded that what he termed the "astonishing debacle in railroad finance," was due to over expansion of transportation generally, excessive competition and shortage of tonnage, he pointed out that the railroads had survived panics and receiverships in the past and predicted that the volume of traffic would be sufficient to

Insurance Company Pension Plan Recommended in Study

ST. PAUL.—Minnesota municipalities, especially the smaller ones, that are considering retirement plans for employees are advised to look into the possibilities of the private insurance company as an underwriter by William H. Sherman, who has recently made a study of municipal retirement systems for the League of Minnesota Municipalities.

"Most of the advantages of so using a private insurance company are the antithesis of the difficulties which operate against the effectiveness and safety of a small independent system," Mr. Sherman said. "An insurance company can guarantee that certain benefits will be secured by certain rates of contribution. Its risk spread is adequate enough so that the losses in one group will be made up by gains in another group."

"Its investments are large enough and so widely diversified that it can assure the members of the plan at least the guaranteed rate of interest for the accumulation of their deductions. It assures the members of the plan of expert administration under state supervision and control. Most of the group annuity plans are of the joint contributory type and the retirement income available may be built up in two different ways, through the level premium or the single premium deferred annuity method."

justify the amount of present equipment in the long run, as it always has in the past.

Mr. Splawn suggested as a solution the increased traffic volume based on a higher standard of living but said that many railroads would have to be reorganized.

R. V. Fletcher, general counsel Association of American Railroads, said that if operating costs are to be cut there is no escaping a reduction of wages. He sketched the extent to which coordination and consolidations might safely go and suggested regulation of the carriers competing with the railroads.

Rowland Speaks in Detroit

DETROIT.—F. L. Rowland, executive secretary Life Office Management Association, addressed the Detroit Office Management Association's meeting on "A Subjective Objective Appraisal of Present Day Office Management."

Program for Life Counsel Meeting in Hot Springs, Va.

Bradshaw, Dully, Tangeman, Avery, Jackson to Give Papers

May 27-28

The spring meeting of the Association of Life Insurance Counsel will be held at Hot Springs, Va., on May 27-28.

Paper will be read by T. A. Bradshaw, assistant counsel Provident Mutual Life, on "Some Problems in Connection with Policy Loans"; F. E. Dully, attorney Travelers, "The Life Insurance Law of Connecticut"; T. H. Tangeman, counsel Columbus Mutual Life, "Fundamental Principles Relating to Application of Dividends"; John M. Avery, attorney, and Henry H. Jackson, actuary, National Life, "Principles and Practices—Actuarial and Legal."

An informal discussion of "Collateral Assignment Forms" will be led by George Hoague, associate counsel New England Mutual. Participating in this discussion will be H. K. White, assistant cashier First National Bank of Boston, who is chairman subcommittee of American Bankers Association on standard forms, reports and records, which has been drafting a collateral assignment blank that has been submitted to some of the companies.

A report from the committee on community property law will be given by Berkeley Cox, chairman.

Plan Great Lakes Cruise

After foregoing an annual convention in 1937, qualified delegates, their wives, and members of the home office staff of the Volunteer State Life will this year enjoy a seven-day cruise on the Great Lakes, sailing from Detroit Aug. 5 on the "Noronic," visiting Sarnia, Ont., Sault St. Marie, going through the "Soo" locks from Lake Huron to Lake Superior, Port Arthur, Fort William, Kakabeka Falls and Duluth.

Funeral services for Edward D. Sisk, 69, Albuquerque, N. M., were held there. Dick Oliver, St. Louis, regional supervisor New York Life, attended. With the New York Life since 1904, he became agency director at Albuquerque in 1912, a position he held until his death. A native of Weatherford, Tex., he was educated in that state and began his business career there. A son, Arthur, was associated with him in business.

Picking of Life Risks Discussed by Hartford Men

Company Underwriters Compare Notes on Problems of Selection

HARTFORD.—"It is the duty of the home office life underwriter to maintain a balance between two extremes," Howard Goodwin, vice-president Phoenix Mutual, told the Hartford Home Office Life Underwriters Association at its semi-annual meeting. Home office underwriters from the Massachusetts Mutual, Springfield, and the State Mutual, Worcester, were present as guests.

The underwriter, Mr. Goodwin continued, must maintain this balance between his desire to render the best service to the field force and the necessity of establishing a reasonably favorable mortality. The underwriter must show real skill not alone in immediate selection, but "in finding ways and means of issuing business which at first appears doubtful." Mr. Goodwin mentioned the work put in toward liberalizing underwriting practices in the past ten years, and referred specifically to the treatment of risks who travel by air. In the last ten years, he said, treatment of medical impairments has been far more liberal.

See Risk from All Standpoints

"Thus," Mr. Goodwin stated, "the underwriter should be trained to visualize that certain phases of a risk might be subject to a different interpretation, and to search out the best avenues to a clear picture." It is the duty of the home office underwriter, he concluded, to try to see a risk from all standpoints, that of the field as well as that of home office, and to help the field force to understand the home office attitude toward a risk.

The tremendous increase in travel through the field by home office men during the past decade has done much to make field men more appreciative of the requirements in selection. It has tended to decrease delay and friction, Mr. Goodwin said, and has led to a mutual

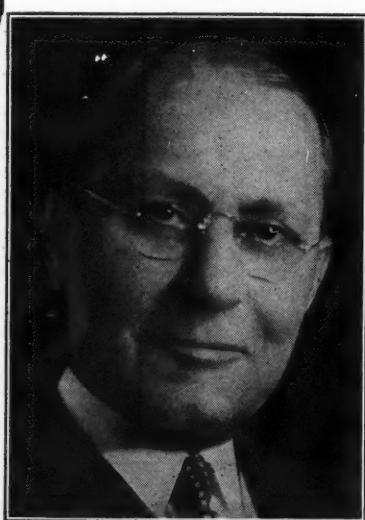
(CONTINUED ON PAGE 30)

LEADERS IN INDUSTRIAL CONFERENCE MEETING



O. E. STARNES, Asheville, N. C.

At the meeting of the Industrial Insurers Conference at Jacksonville this week O. E. Starnes of Asheville, N. C., vice-president of the Imperial Life, as



GEORGE R. KENDALL, Evanston, Ill.

president of the organization, is in charge of the various sessions. George R. Kendall, president Washington National of Chicago, is vice-president. F.



F. P. SAMFORD, Birmingham, Ala.

P. Samford, president Liberty National Life, is chairman of the executive committee. P. M. Estes of Nashville, general counsel of the Life & Casualty,



P. M. ESTES, Nashville, Tenn.

will preside over the legal section meetings. He is also scheduled to give an address at one of the general sessions of the conference.

Review Educational Course to Give It a Sales Slant

Charles T. Cravens, new educational director of the Continental Assurance, is now revising the educational course to give it more of a sales slant rather than emphasizing the technical angles.

Mr. Cravens feels that the best results can be secured by using what he terms "package programming." After the agent secures a certain amount of necessary information from the prospect, he should make recommendations to meet an obvious need with life insurance. However, Mr. Cravens feels that if the prospect does not recognize the need and does feel that he needs the insurance for some other reason, the agent should accept the situation and not try to force his point in regard to the need.

There should be a line of demarcation between programming and policy

audits, according to Mr. Cravens. Policy audits take a great deal of time and require experience, while simple programming to meet obvious needs is easy in comparison to complicated audits.

In furnishing agents with sales plans, Mr. Cravens recognizes that some new sales slant or approach should be furnished the agent periodically in order to stimulate enthusiasm. However, he feels that the agent cannot assimilate more than about two plans a year and if they are issued more frequently the agent will not have time to master the old plan before he is asked to push a new one.

JUVENILE PROVES POPULAR

It is estimated that the Mutual Life of New York has written over \$4,000,000 in juvenile insurance this year. The recent adoption of this form by the Mutual Life has proved of great help to the agents.

Elimination of Dominion Insurance Department Urged

TORONTO—The Dominion department of insurance should be eliminated, said Superintendent McNairn of Ontario before the Rowell commission here. The commission was appointed by the federal government to find out just what "ails" Canadian business and to make recommendations to eliminate business obstacles.

Mr. McNairn said that at present there were possibilities of disputes in jurisdiction which should be eliminated by complete removal of the federal branch.

"Insurance is essentially a matter of local and private rights," he declared. "The provincial insurance departments have demonstrated their ability to supervise the business of insurance in a cooperative, progressive and satisfactory manner, division of authority inevitably

involves controversy and the most efficient and economical form of supervision can be given by the Dominion department of insurance acknowledging the complete jurisdiction of the provinces in the field of insurance."

Elimination of the Dominion department of insurance would save \$85,000 annually, he claimed. "No submission has yet suggested that there are any functions of the Dominion department of insurance that cannot be undertaken by the provinces in an efficient and economical manner," he said.

Hertzberg in Indianapolis

Thomas O. Hertzberg, field supervisor of the Equitable Life of Iowa, is spending a week or more in Indianapolis and vicinity. He and J. R. Townsend, agency manager, met with a number of the company's younger representatives at a luncheon.

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* The property management firms whose names are shown on this page have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

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"Par for Parkinson" in Central West Territory

President of the Equitable Society Speaks to Winners at Chicago

President T. I. Parkinson of the Equitable Society was in Chicago Monday at the close of the annual "Par for Parkinson" campaign conducted under the auspices of the Central Managers Association. A "par" means at least five applications during the month.

There are 27 branch managers and general agents in the central west and each one is entitled to an agency and a unit manager delegate.

The final results showed that there were 993 "par" agents sending in 10,386 applications and there were 86 "par" units. There were 1,919 agents participating and the volume of business was \$34,676,652. The par excellent agent was H. M. Carlsen of the Des Moines agency. The par excellent unit manager was A. D. Hemphill of the Kansas City, Mo., agency.

The agency presidential delegates were the guests of President Parkinson at a banquet, the only outsider being Warren V. Woody of Chicago, who is president of the Central Managers Association.

Luncheon for Winners

At noon Monday the delegates from outside of Chicago and the "par" agents in the Chicago offices were guests of the Chicago managers at a luncheon. Second Vice-President Welch, who is now stationed at Chicago, was present as was A. P. Carroll, assistant secretary from the home office. John T. Manson, senior director, happened to be in Chicago and attended the luncheon.

President Parkinson in his talk plainly showed that he is not volume conscious. That is, he is not stressing increase in new business nor is he interested in rolling up a large amount of business under high pressure sales methods. He believes in substantial agents dealing with substantial people and rendering substantial service. The Equitable has reduced its agency force over the country very materially. It has far less agents in the field than before. In sending new men out with a rate book real selectivity is used.

Wants Quality Stressed

President Parkinson is anxious to move qualified men up to the higher brackets. He emphasized in his talk the need of Equitable men rendering intelligent, helpful service to policyholders. The new agency manager contract merely reflects his ideas as it rewards managers who are capable of boosting their good agents into higher production men.

President Parkinson analyzed the assets of the Equitable, pointing out what had been accomplished in conserving the various classes in the portfolio. He analyzed very clearly its position at this time with regard to bonds, mortgages and told about the real estate that it had had to take over.

Importance of Women

In the winning agents it is interesting to see that Miss Helen Summy of the Embry agency at Kansas City led the entire field with 114 applications. Women played a rather important part in this contest. For instance, in the D. C. Kemp agency in Chicago, Helen M. Zett was the leading agent and Mrs. G. J. Kahle was the leading unit manager. In the H. A. Sloan Chicago agency Sara Frances Jones was the leading agent.

The Embry agency at Kansas City ended the contest with more than one-tenth of all the applications received. A. D. Hemphill's unit in the Embry agency was reported "par" as of April 1, the first day of the campaign. Mr. Carlsen wrote 81½ applications for \$412,313,

Man Behind the Gun in Important Deal



HARRY R. KENDALL

Harry R. Kendall, chairman of the board of the Washington National, is a big factor in that company and had much to do with the negotiations that led to its acquisition of the Hercules Life of Chicago. Mr. Kendall has had a thorough training in insurance. For 29 years he was manager of the Prudential at Louisville. He served for three years as president of the Fidelity Life & Accident of that city, which was one of the constituent companies that now constitute the Washington National. His brother, George R., is president of the Washington National. The two make a mighty team. The Washington National is as clean as a hound's tooth.

every one being on binder. Every member of the Hemphill unit scored at least five applications and the average number per agent was 14.23 with an average of 5.55 applications per agent on binders. There were 313 applications altogether in the unit of 23 men, of which 122 were binders, the aggregate being \$1,095,746. Mr. Hemphill himself appeared as joint agent on 58 applications. During April the unit paid volume was a little better than 190 percent of the average paid business for the first three months. The Lee Wandling unit of the Embry agency also scored "par" the first day.

Outstanding Personal Records

Among the outstanding individual records was that of Miss Helen Summy, who is a member of the Hemphill unit of the Embry agency, who completed 37½ applications, 30 of them on binders for \$161,942 in volume. S. W. Arman of the Shea agency at Minneapolis had 45 applications of which only one was not bound. R. R. Cihak of the Krueger agency at St. Paul had 42 applications. Walter Samelow of the Sacks agency in Chicago had 30 applications. Sara Frances Jones had 28 applications with 27 on a binder and a total volume of \$106,250. R. L. Swarzman of the Des Moines Nelson agency, unit manager with 15 agents, scored 144 applications, with an average of 8.1 on a binder. A. W. Green of the M. A. Nelson agency at St. Louis had 18 members of his unit and 15 of them scored. The total number of applications was 131 or an average of better than 7 per man. The F. J. Patten unit of the Krueger agency at St. Paul numbered 23, and 15 of them reached "par," while the entire unit scored 132 applications.

Of the agencies participating there were three general agents, they being E. K. Keating of Minneapolis, Courtenay Barber and Charles Wadsworth of Chicago. Courtenay Barber, Jr., was the leading agent in his father's agency.

Single Premium Tax Asked by Canadian Officers Group

Injustice of Tax Practices Pointed Out to Special Commission on Fiscal Reform

MONTREAL. — Recommendations that the premium tax should replace all other forms of taxation imposed on life insurance companies by the province and municipalities is made in a brief to the commission on fiscal reform in Quebec, filed at a conference by the Canadian Life Insurance Officers Association.

The brief deprecates the premium tax principle for life insurance companies on the grounds that life insurance today is, in effect, on a mutual basis and, hence, the tax is borne by the policyholders who already pay taxes in many various forms. It suggests however that until the time arrives when it will be possible to remove the special taxation imposed upon life insurance, it is believed that the premium tax is acceptable because its administration is simple and effective, and because it is probably less inequitable than other forms of hidden taxation.

Tax Increase Unjust

Very serious injustice arises, the brief points out, when the application of a tax is widened or the rate increased unless the tax on the new basis is made to apply only to contracts issued subsequent to the date of change. The contractual obligations of life insurance companies extend many years into the future. The premium in each case is fixed at the date of issue of the contract—a very different situation from that facing corporations which can readily adjust their charges to meet the ordinary strain of increased taxation.

Makes Tax Suggestion

It is suggested that: The premium be levied in lieu of all other taxes except real estate taxes and other taxes generally imposed upon all sections of the community by the province and municipalities. Clearly expressed statutory authority should be given the life companies to deduct returned premiums and dividends paid or credited to policyholders in computing the tax. Annuity considerations should be specifically exempted from taxation; the tax be imposed upon premiums collected from residents of the province. The provision that the reinsuring company pay the tax on reinsurance premiums received should be eliminated, and the original company accept full responsibility for the tax.

There is over \$1,750,000,000 of life insurance in force in Quebec, the brief states, representing an obligation to residents in Quebec under about 2,000,000 policies. All except a very small percentage of life insurance policyholders are people in modest circumstances. Were it not for the savings represented by life insurance, the danger of many people becoming burdens upon the state would be greatly increased.

Vincent Coffin on the Move

Vincent B. Coffin, second vice-president and superintendent of agencies of the Connecticut Mutual Life, was a visitor this week at its offices in Oklahoma City, Topeka and St. Louis. On Wednesday he attended a dinner at Oklahoma City given the R. H. Carter agency for having been the leading one among the other agencies in his group in a recent sales campaign. The Carter agency achieved 300 percent of its objective. Mr. Coffin also stopped at Topeka where he visited with Paul C. Kaul, district manager.

At St. Louis he addressed the sales managers' club and then joined President James Lee Loomis, Second Vice-President Harold N. Chandler, and Assistant Medical Director C. E. Homan for the 25th anniversary dinner of S. L. Morton, St. Louis general agent.

Tentative Program Prepared for A. L. C. Medical Meet

Several Outside Speakers Secured for Section Gathering at Asheville, N. C., in June

The Medical Section of the American Life Convention has drafted a number of outside speakers who are recognized authorities in their lines to deliver papers at the annual meeting to be held June 16-18 in Grove Park Inn, Asheville, N. C.

Among these, according to the tentative program prepared by the program chairman, Dr. Maurice B. Bender, medical director Guardian Life, are to be Dr. W. G. Exton, director of Laboratory & Longevity Service, Prudential, Newark, who will speak on "Diabetes and Bright's Disease as Selection Problems;" Dr. Warren H. Cole, medical department University of Illinois, Chicago, "Factors in Prognosis and Mortality of Gall Bladder Disease;" Dr. G. G. Ornstein, associate clinical professor of medicine, Columbia University, and Dr. Albert E. Russell, assistant surgeon United States Public Health Service, who will speak on the topic, "Prognosis of Properly Treated Syphilis."

Governor Clyde Roark Hoey of North Carolina is expected to attend the first morning to greet the medical officers. Another distinguished guest will be Dr. S. B. Scholz, Jr., president Association of Life Insurance Medical Directors, which always send a representative to the A. L. C. Medical Section meeting to extend greetings and serve as an observer.

Harry R. Wilson, A. L. C. president, and Col. C. B. Robbins, its manager and general counsel, also will attend to present the good wishes of the headquarters office.

Dr. W. E. Thornton, second vice-president and medical director, Lincoln National Life, chairman, will preside at Asheville. Dr. B. F. Byrd, assistant medical director National Life & Accident, is secretary.

Results in Illinois Shown

Figures Giving the Operations of Life Companies in the State During Last Year — Leaders Listed

According to the preliminary tabular statements from the Illinois department the legal reserve companies of Illinois wrote in new ordinary business last year in the state, \$80,583,517 and have in force \$520,170,580. There was \$23,476,731 industrial written by Illinois companies and there is in force \$30,388,353. The Illinois companies received in premiums in Illinois last year on ordinary business \$11,198,172 and on industrial, \$763,063.

The total ordinary business of domestic companies outside of Illinois in the state last year was \$969,278,685 ordinary and \$271,925,850 industrial. They have in force \$6,654,970,722 ordinary and \$1,387,180,406 industrial. They received in ordinary premiums \$184,155,397 and industrial \$48,685,685. The ordinary figure includes group.

Canadian companies wrote in new business in Illinois last year, \$39,594,635 and have in force \$184,661,899.

The total new ordinary business in Illinois last year amounted to \$1,089,456,836 and there is \$7,359,803,201 in force. The industrial was \$295,402,581 and there is in force \$1,417,568,759. Altogether there is in force in Illinois \$877,371,960 and there was new business of all kinds \$1,384,859,417.

Honor Veteran C. L. U.

The Charles E. Schaad agency of the Midland Mutual at Marion, O., honored Roy W. Kauble, the only chartered life underwriter in the Midland Mutual field, at an agency meeting. Mr. Kauble joined the company 17 years ago.

Program for Pennsylvania Insurance Days Announced

Notable Speakers Are Listed for Sessions to Be Held in Philadelphia May 26-27

PHILADELPHIA—The program for the 1938 Pennsylvania Insurance Days, to be held at the Bellevue-Stratford Hotel here May 26-27, under the auspices of the Insurance Federation of Pennsylvania, contains a number of outstanding speakers.

The convention will get under way with a luncheon in charge of the Pennsylvania insurance department, with Commissioner Hunt as chairman. Dr. S. S. Huebner, president American College of Life Underwriters, speaking on the desirability of a chartered property and casualty underwriter program, will be the only speaker not a member of the department. Six group sales congresses are on the program May 27.

W. F. Wingett, Scranton, president Pennsylvania Association of Insurance Agents, will be toastmaster at the banquet May 27, which will be a testimonial to J. W. Donahue, resident vice-president Maryland Casualty, Philadelphia.

The program arranged for the women includes a trip to the Devon Horse Show and a theater party the opening day, with a motor trip to the Swedenborgian Cathedral at Bryn Athyn and the New Hope art colony.

The complete program follows:

Thursday, May 26

Luncheon Conference.

Call to Order, S. J. Carr, general chairman, Philadelphia resident vice-president Standard Accident.

Address of Welcome, John A. Stevenson, Penn Mutual Life, president Insurance Federation of Pennsylvania.

Luncheon chairman, Commissioner Owen B. Hunt.

"Workmen's Compensation Rating," D. D. Roche, chief compensation actuary Pennsylvania department.

"Desirability of a Chartered Property and Casualty Underwriter Program," Dr. S. S. Huebner, president American College of Life Underwriters, and professor of insurance, University of Pennsylvania.

"The Pennsylvania Department and the Insuring Public," J. A. Sexton, director of publicity Pennsylvania department.

"Important Factors in Departmental Policy Analyses," D. E. Vollmer, policy analyzer Pennsylvania department.

Federation Half Hour immediately following the speaking program.

8 p. m.—Smoker.

Chairman, John A. Diemand, executive vice-president Indemnity of North America.

"Showmanship in Business," Zenn Kaufman, author and lecturer, New York. Vaudeville and Floor Show

Friday, May 27

12—Luncheon Sales Congress, auspices Pennsylvania Fraternal Congress.

Chairman, James L. Wilmeth, president Pennsylvania Fraternal Congress.

"How to Organize a Field Force," Stanley E. Walters, Lutheran Brotherhood.

"Maximum Production of Fraternal Insurance," Roy Mahaney, Woodmen of the World.

"How to Keep Up Volume, and Stabilization of Fraternal Business," C. D. Grant, Junior Order United American Mechanics.

"How Foreign Speaking Societies Can Best Handle Field Production, in Order to Secure Maximum of Business," Michael Holod, Russian Brotherhood.

2 p. m.—Life Insurance Sales Congress. Thomas M. Scott, Chairman Philadelphia Association Million Dollar Round Table committee, greeting and introducing Chairman.

Chairman, Clifford H. Orr, president Philadelphia Association of Life Underwriters.

Discussion, "Sales Methods that Produce Results," Manning P. Brown and James M. Stokes, Jr.

"Thirty Years with 'Dotted Lines,'" Milton Bacon, New York Life, Jacksonville, Fla.

"Aggressive Optimism as a Business Aid," Holgar J. Johnson, Penn Mutual Life, Pittsburgh.

Luncheon Sales Congress, Accident and Health Insurance. Chairman, Radcliffe Whitehead, president, Accident & Health Club of Philadelphia.

"Development of Accident Insurance," E. H. O'Connor, assistant secretary United States Casualty.

"Trends in the Field of Disability Insurance," J. F. Leibig, Continental Casualty, Philadelphia.

"Results Are Better from Trained Agents," Paul H. Rogers, superintendent accident and health department Aetna Life.

Industrial Life, Health and Accident Sales Congress.

Chairman, Elmer R. Deaver, president Philadelphia Health & Accident Alliance.

"Dramatizing Life, Health & Accident Insurance," Zenn Kaufman.

Five-minute Field Talks.

"Canvassing Plans," H. J. Bryner, Progressive Life.

"New Homes," W. K. Smith, Provident Industrial Life, Health & Accident.

"How to Close Apps," A. J. Fowler, Superior Life, Health & Accident.

"Opportunity," Charles E. Cooper, Philadelphia Mutual Aid.

"A Success Formula," A. D. Cooley, Industrial Life.

"Service to Policyholders," Guy C. Bracken, Philanthropic Mutual Life.

"How to Become a Big Writer," G. P. Mulholland, Equitable Beneficial Mutual Life.

7 p. m., Banquet and Dance.

S. J. Carr, chairman.

W. P. Wingett, president Pennsylvania

Association of Insurance Agents, toastmaster.

Speakers, Commander C. E. Rosendahl and W. A. Landvoight, United States Secret Service.

Steven Calls Executive Meeting

Cyrus T. Steven, Phoenix Mutual, president Life Advertisers Association, has called a meeting of the executive committee of the association to meet in Asheville, N. C., May 20-21, during the meeting of the southern round table. The committee is composed of J. H. McCarroll, Bankers of Iowa; W. L. Camp, Connecticut Mutual; Karl Ljung, Jr., Jefferson Standard; A. S. Anderson, Equitable Society; M. S. Crockford, Excelsior Life; C. S. Davis, Provident Mutual; C. C. Fleming, Life of Virginia; S. M. Gamble, Massachusetts Mutual; R. G. Richards, Atlantic Life, and H. V. Wade, American United.

Fraser Welcomes Fliers

Peter M. Fraser, vice-president Connecticut Mutual Life, was chairman of the committee which planned the city of Hartford official greeting to visiting army fliers, who are stationed there for three weeks in connection with the air corps is staging in that section of the country.

Buchanan New President of Boston C. L. U. Chapter

At the annual meeting of the Boston C. L. U. chapter, with President Corinne V. Loomis presiding, new officers were elected: President, M. Luther Buchanan, Massachusetts Mutual, Blackmunt agency; secretary, James Daniels, manager life department, Field & Cowles; treasurer, Vernon Blagborough, Paul Clark agency, John Hancock Mutual. Glen B. Dorr, general agent Northwestern Mutual, Hartford, talked on the relation of the C. L. U. to the public. The guests of the evening included students who are taking the courses preparatory to securing the C. L. U. degree. Two new members were admitted.

Dr. Charles D. Wheeler, 73, who had been with the State Mutual Life for 33 years, and medical referee since 1935, died in Worcester. Dr. Wheeler, who was one of the best known medical men in the state, joined the company in 1905. Seven years later he was appointed assistant medical director, and in 1924 he became medical director, heading the department until 1935, when he was succeeded by Dr. H. H. Amiral.

SIXTY STRIDES FORWARD

Hayes had been President of the United States but a year when the Fidelity was organized. It was 1878—the same year that Edison gave the world electric lights and Bell gave it telephone service. This sixtieth anniversary year is significant, however, only as it affords reason to pause and take stock.

Fidelity has come a long way in those sixty years. Its policyholders number more than 100,000—its assets more than \$117,000,000—its insurance in force more than \$362,000,000. It operates in 37 states, including New York and the New England states.

Grover Cleveland was still President when Fidelity originated the Disability Provision in life insurance—October 16, 1896. Theodore Roosevelt was just recommending purchase of the Panama Canal when Fidelity originated the "Income for Life" plan, December 24, 1902, guaranteeing to the insured a life-long income after retirement. And it was in the year of the great Baltimore fire and the St. Louis Exposition that Fidelity originated the Accidental Death Benefit—February 10, 1904.

Fidelity, pausing but briefly in its 60th Anniversary Year to look backward, continues its march forward to greater fields of service, proud of its reputation as a company friendly to its policyholders and friendly to its field.

The **FIDELITY MUTUAL LIFE INSURANCE COMPANY PHILADELPHIA**

WALTER LEMAR TALBOT, President

Launch First Regional Unit at Congress in Baltimore

To Cover Maryland and District of Columbia—Nearly 1,000 Hear Notable List of Speakers

In connection with the sales congress in Baltimore, O. Sam Cummings, president National Association of Life Underwriters, met with officers and directors of the Baltimore and District of Columbia associations to launch plans for the formation of the first regional unit of the National association, to be known as the Maryland and District of Columbia Regional Unit. It will be composed of the present associations in Baltimore, Cumberland, Md., and the District of Columbia. J. Henry Hooper, Provident Mutual, president of the Baltimore association, will act as chairman and it is expected that the regional unit will be formed and officers elected prior to July 1.

Nearly 1,000 life men from Maryland and the District of Columbia attended the congress. President Cummings in his address emphasized (1) the magnitude of the life insurance business; (2) his opposition to government in business and savings bank insurance and (3) education of the general public as well as the life underwriter.

Service to Public Stressed

G. Hoyle Wright, superintendent of agencies Metropolitan Life, answering the question, "Are You in the Life Insurance Business?" stressed the service rendered to the public through life insurance, and said the life underwriter is capable of building monuments to his efforts through the financial independence he is able to provide for policyholders and their beneficiaries.

Bert C. Nelson, Northwestern Mutual Life, Milwaukee, spoke on prospecting, saying it is important to know people, make friends, be sincere, give real service and win confidence. His aim is to become the best known and best liked life insurance man in his community.

At the lunch hour, President Cummings addressed the general agents, managers and superintendents of Maryland and District of Columbia, urging extreme care in the selection of agents with the view to bettering the selling personnel.

Carothers Afternoon Speaker

At the afternoon session Dr. Neil Carothers, director of the College of Business Administration of Lehigh University, after speaking of the causes of the depression of 1929 and the current business recession, gave his idea of governmental measures that would inspire confidence, reduce fear and encourage enterprise, and would thus promote the inevitable recovery and hasten and insure its progress.

E. W. Brailey, general agent New England Mutual Life, Cleveland, speaking on "Simplicity in a Complex Business," urged keeping one's sales presentation in simple and understandable language. He suggested that it is a good plan for the agent every now and then to tell his story to a young high school student, making certain that he is not talking over the student's head, and then use that presentation in his daily work.

The congress closed with the showing of the Borden & Busse film, "How to Win a Sales Argument."

W. H. Saitta, Baltimore manager Metropolitan Life, chairman of the congress committee, was chairman of the morning and V. W. Holleman, Washington, associate chairman, had charge of the afternoon session.

O'Shaughnessy Visits Reed

George O'Shaughnessy, home office representative Colorado Life, will spend a month with the George Reed general agency at Lincoln, Neb., putting into effect the new agency program of Vice-president W. Lee Baldwin.

Twenty Year Man



JOSEPH M. GANTZ

CINCINNATI—Joseph M. Gantz, general agent of the Pacific Mutual, celebrated the 20th anniversary of his affiliation with that company on May 10 with a dinner at the Cincinnati Club. It was attended by over 100 friends.

Home office of the company was represented by Jens Smith, assistant superintendent of agencies, and Charles Davis, field superintendent of accident and health. General agents in various parts came to Cincinnati for the dinner. Ralph Ketzel of Kansas City, N. A. Herberts of Detroit as well as agents from Philadelphia, Cleveland and other cities were in attendance.

Many prominent Cincinnati business men were on hand. Ex-Governor of Ohio Myers Y. Cooper, Louis Kispert, vice-president of the Norwood National Bank, and Joe Meyers, University of Cincinnati football coach were among the guests.

A silver testimonial plaque was presented to Mr. Gantz by his agents in the Cincinnati and Columbus offices. The entire agency personnel of the Columbus office attended the dinner.

As a tribute in the celebration, his associates in Cincinnati have pledged production of \$1,000,000 of life insurance for the six weeks period of May and the first part of June.

Regional Rally in St. Louis

ST. LOUIS—Twenty-two district managers of the National Life & Accident attended a regional conference here, with Vice-presidents E. W. Craig and E. B. Stevenson and E. L. Stritch, assistant vice-president, representing the home offices.

The gathering was in line with the new policy of the company in decentralizing its annual agency meeting. Instead of all the agency managers visiting the home office in Nashville the company is now holding five territorial conferences like the one here.

McLain Month a Success

McLain month for the Guardian Life was April in honor of its vice-president, James A. McLain. It was the seventh best month in its history. New lives insured reached a total exceeded only in six other months. J. D. Robbins of New York City led with 57 lives. Manager R. A. Trubey of Fargo was runner-up and M. M. Taylor of Tampa, third. W. R. Eavenson of Buffalo, G. E. Hackmann of St. Louis, Manager C. K. Brust of Los Angeles, Manager George Hoffman of Chicago, C. D. Harrison of Washington, D. C., Jack Grossman of New York, J. C. Gressamer of Chicago, Manager George Stevens, Jr., of Seattle and J. J. Sutton of Syracuse were the top 12 producers nationally.

Reserve Deduction Problem Is Reviewed by Kadyk

Tells Chicago Club Courts Favor Narrow Construction of Provision in Revenue Law

It is becoming increasingly apparent that federal courts in construing the status of reserve funds as an item deductible from gross income of life companies do not intend to deviate from the narrow concept already adopted, no matter what state statutes or insurance departments may require as to maintaining reserve, David J. Kadyk, of Lord, Bissell & Kadyk, Chicago legal firm, told the Life Insurance Lawyers Club of Chicago at the May meeting this week. He presented a long, thorough paper on taxation of life companies, confined mainly to the reserve issue.

Under the 1936 revenue act, he said, one deduction from gross income permitted is 4 percent of the mean of reserve funds required by law and held at the beginning and end of the taxable year, except that in case of lower interest assumption the rate is 3 1/4 percent. There is further provision for an additional deduction of 3 1/4 percent by life companies issuing combined life, health and accident policies on weekly payment plan, continuing for life, and non-cancellable. The tax rate is 15 percent of the normal taxable net income.

Supreme Court Action

In 1928 the U. S. Supreme Court in the National Life of Vermont case reversed judgment of the court of claims, finding unconstitutional the revenue section abating the 4 percent deduction by the extent of tax free interest. This nullified a portion of the revenue act for which life companies had fought. Due to this decision, the act was rewritten to allow deduction of a portion of the "reserve fund required by law," a phrase that has been difficult to interpret satisfactorily.

Courts since have disallowed deduction of amounts set up for various types of reserves, including reserve for future premiums waived on account of total and permanent disability, a reserve for unreported losses, a reserve to meet liability for payment of annuities to former agents as provided by their contracts. The seventh circuit court of appeals in Fink vs. Northwestern Mutual Life, Mr. Kadyk said, held additions to reserve funds because of liability on supplementary contracts not involving life contingencies, and canceled policies upon which a cash surrender value might be demanded, was not a deductible reserve.

May Expect No Reward

"Regardless of the increasing social functions that life insurance companies assume in creating an estate or savings for the people," Mr. Kadyk concluded, "they will not be rewarded under the tax laws. It appears that the days of tax-free interest will soon be over. The Supreme Court is constantly whittling away on intergovernmental immunities in the field of taxation."

"The President is now seeking a sweeping investigation of investment policies of insurance companies and the economic powers they gain thereby, on the theory that these institutions may by their investment policies be able to create industrial monopolies in their field of investment. To resist these tendencies may result in the loss of some of the privileges left and the inclusion of new receipts in gross income; to remain passive to these movements may produce the same results."

C. S. Schilling, Newark, O., general agent, Ohio State Life, has completed 250 weeks in which he has produced one or more applications.

A mortgage loan office has been established in the Yeon building, Portland, Ore., by Pacific Mutual Life, under the direction of Clark Ewing.

Linton Urges Changes in Social Security Act

Provident Mutual President Points Out Some of the Weaknesses in the Present Setup

ST. PAUL—Important changes in the social security act were recommended in St. Paul this week by M. A. Linton, president of the Provident Mutual Life. He expressed the hope that the large life companies would in the future cooperate throughout the year in an educational campaign to educate the public to the benefits of life insurance rather than concentrating their efforts in a single week. He also thought that as long as a week is set aside to carry the message of life insurance to the country, life underwriters should not use that week solely to make a special sales drive but to stress the value and importance of life insurance in general.

Social Security Act

Regarding the social security act, Mr. Linton said:

"In setting up our social security program the methods of private life insurance were followed altogether too closely. We now undertake to build up a huge reserve, put it into the government debt and then pay the interest on the debt into the social security fund. The act also provides for extremely low pensions in the early years of operations, rising far too slowly to the peak rates promised for the future, 40 years from now. Neither of these principles is correct, as has been proved by experience of Sweden, Britain and other European countries."

Should Pay from Current Funds

"Each generation should pay its social security pensions from current tax collections at whatever level it desires and can afford. This generation should not attempt to determine the pensions to be paid by the next generation, when conditions may be altogether different. We should pay at a higher level when social security payments begin in 1940. The average under present plans would be \$17 a month, which is too low. We should not wait 40 years to reach our maximum payments which, under the present act, will average \$44 a month in 1980."

Confer on College Courses

The college of commerce and business administration at the University of Illinois recently formulated an advisory committee for each of 12 businesses, for which collegiate training is available at the university. The entire committee had a meeting in Urbana recently and after receiving their instructions from Dean Thompson, divided into individual gatherings.

Those on the insurance advisory committee who attended were: R. M. Clark, comptroller Continental Casualty; G. W. Ireland, Bloomington, special agent Fidelity-Phenix; G. A. McKinney, secretary Millers Mutual Fire of Alton; G. H. Moloney of Chicago, vice-president Hartford Accident; E. A. Olson, president Mutual Trust Life; J. Hawley Wilson, Massachusetts Mutual Life, Peoria.

The other members who were not present are: Frederick Brucholz, agency director New York Life, Chicago; R. R. Haffner, actuary Illinois department; J. S. Kemper, president Lumbermen's Mutual Casualty; F. G. Dickinson, representative of the faculty.

In the college of commerce a general course on life insurance involving three hours of credit is available as well as a similar course in general insurance. No change has been made in this respect in 20 years. The University desires that extensions be made in the courses so far as insurance is concerned.

Another meeting will be held with the new head of the economics department, when he is appointed.

Tax Expert Appointed in Dingle Agency, Chicago



R. S. BERNHARD

R. S. Bernhard educational director of the Heifetz agency, Mutual Life of N. Y. in Chicago, has resigned to become assistant general agent in the John Dingle agency of the Massachusetts Mutual there. He is taking charge of recruiting and training agents, as well as general duties.

Mr. Bernhard has made an exhaustive study of business insurance and insurance for tax purposes. He is author of "Business & Estate Insurance Service" published by the Commerce Clearing House. In addition to being one of the best informed men in his special line at Chicago, Mr. Bernhard is a successful agent. In 1934 he paid for about \$890,000 in the Mutual Life and other companies.

He has been in life insurance work at Chicago since 1928. Prior to that he was in newspaper advertising work at Milwaukee, advertising manager of a department store, a member of the advertising department of a national hospitality manufacturer, and later for several years operated a chain of stores in Chicago owned by a relative.

Throughout his experience with Samuel Heifetz, Mr. Bernhard continued as a salesman. He left Mr. Heifetz in 1933 and for a year was assistant manager of the Cummings general agency Pacific Mutual, Chicago, recruiting and training agents. Then in 1934 he returned to the Heifetz agency. During his experience with Mr. Heifetz, he has annually qualified for the Mutual Life Field Club, which requires minimum of \$250,000 annual production.

To Argue Disability Reserve Case Before U. S. Board

Argument is expected to be heard soon before the U. S. board of tax appeals in an important test case involving the question of taxability of disability reserves. The case is Oregon Mutual Life vs. Commissioner of Internal Revenue. A. B. Winfree is general counsel for the Oregon Mutual and William Marshall Bullitt of Louisville, special counsel. It is understood that the Association of Life Insurance Presidents is behind the effort to secure a decision holding the disability reserves a proper deduction in computing federal income tax.

The Oregon Mutual case is predicated on the theory disability reserves fall within the statutory exemption of "reserve funds required by law," and embrace active and disabled life disability reserves as the mathematically calculated measure of the Oregon Mutual's future, unaccrued and contingent obligation for disability benefits, dependent on a life

contingency and a series of disability contingencies, contained in life, health and accident insurance contracts.

A brief filed by the Oregon Mutual states that under the 1934 revenue act the phrase "reserve funds" always embraces reserves on both disability and nondisability policies, as well as for death benefits alone. Therefore, it includes the Oregon Mutual's entire reserve Dec. 31, 1934, of \$3,831,633 on its 10,701 outstanding unmatured disability policies. It thus is argued this automatically embraces the disallowed \$270,300 disability benefit reserves maintained at that time.

Unmatured Policies

The Oregon Mutual argues under these 10,701 outstanding unmatured disability policies of over \$22,000,000 face amount, the Oregon Mutual at the end of 1934 had certain obligations which were entirely future, unaccrued and dependent upon life contingencies and upon a series of disability contingencies. The commissioner disallowed the \$270,300 disability benefit reserves.

The case of Equitable Society (33 B. T. A. 708) is cited as controlling authority for the Oregon Mutual case. Judgment for the Oregon Mutual asks for \$2,491 taxes for 1933 and 1934.

"President for a Day" Prize in Production Contest

LINCOLN, NEB.—As a climax to an intense drive for business in May, company anniversary month, Howard S. Wilson, president Bankers Life of Nebraska, has agreed to turn over the duties and responsibilities of his office for 24 hours to the winner of the production contest.

Continental Qualifiers

Twenty-one agents for Continental Assurance have qualified for the "1-2-0 Club." Five men, who top the list, have qualified for the higher distinction of memberships in the "2-5-0 Club," for which the requirements are personal production of new business of more than a quarter of a million dollars for the year.

Five of the agents are from Chicago, three Detroit, two Milwaukee and the 11 others from as many cities.

Topping the list is Maurice Chier, Milwaukee, who this year was elected to

membership in the Million-dollar Round Table. Mr. Chier was the ranking producer of Continental in 1937 and 1936. In second place is E. L. Grant of the Chicago branch, who has been a leading producer for more than ten years. He was the leading producer in 1925, 1931 and 1932.

H. P. Reager, Louisville; Fred H. Schroeder, Portland, Ore., and P. L. Kanter, Detroit, are the others who have qualified for the "2-5-0 Club."

The "1-2-0 Club" will hold its annual convention at Chicago in August. The qualifiers for the "2-5-0 Club" are to be taken on a trip to Mexico City.

Confer as to College Course

HARTFORD—Six Hartford insurance men attended a conference at Connecticut State College. They were invited to assist in setting up the new insurance course to be given next September. They suggested that the regular lectures be supplemented by talks by active insurance men. Those insurance men invited included L. W. Ward, Aetna Life; G. W. Skilton, Connecticut General; W. P. Barber, Jr., Connecticut Mutual; P. S. Brown, Hartford Fire; Maurice Perry, Phoenix Mutual; B. T. Bent and J. F. Pilkington, Travelers.

Jeffersonians! Your Cooperation for

\$400,000,000

in force end of

1938!

Working together-Success is Sure

JEFFERSON STANDARD LIFE INSURANCE COMPANY

JULIAN PRICE - PRESIDENT

GREENSBORO, NORTH CAROLINA

Testify on Value of Assets of American Life of Detroit

Custodianship Hearing Is Held —Attempt to Justify Texas Investment—Fondiller Testifies

LANSING, MICH.—Testimony designed to prove the high value of Rio Grande valley lands in Texas controlled by the American Life of Detroit was offered by witnesses as the company took up the burden of proving, at the current hearing in Ingham county circuit court here, why it should not be placed in a permanent departmental custodianship. Two Texas fruit and vegetable ranchers living near the holdings controlled by the company and three investors in similar properties appeared on the stand. The value of the cleared land was estimated at some \$250 an acre for vegetable land and \$350 for citrus fruit. The property, to whose holding companies the American Life has loaned \$3,000,000, consists of 28,556 acres, but some 4,900 acres, according to testimony, is uncleared and only 2,584 acres is in fruit. Confidence was expressed in the ultimate value of the land but it was admitted that the immediate return is low.

Fondiller Testifies

Richard T. Fondiller of Woodward & Fondiller, consulting actuary, who had made an exhaustive analysis of the company's affairs for the insurance department, confirmed the contention that the company is in no position to continue operations under its existing management. The company has not been meeting earnings requirements, if reserves are to be adequately maintained, for several years. The annual earnings required, he said, total \$548,512, but he figured 1937 earnings at only \$298,451, leaving a deficiency of more than \$250,000. There has been a total deficiency of \$634,518 in reserve earnings requirements since 1933.

The company borrowed more than \$1,000,000 from the Reconstruction Finance Corporation and witnesses agreed that some of the company's best mortgages, on which the loan had been based, were liquidated in order to repay the amount due. Mr. Fondiller testified that the company financial statements showed profitable operations only by capitalizing past due interest, accrued rents, etc., on foreclosed mortgage holdings. It is questionable whether these sums can be collected, he said. No actual profits are being returned by the Rio Grande valley fruit ranch properties in which the company is interested to the extent of \$3,000,000.

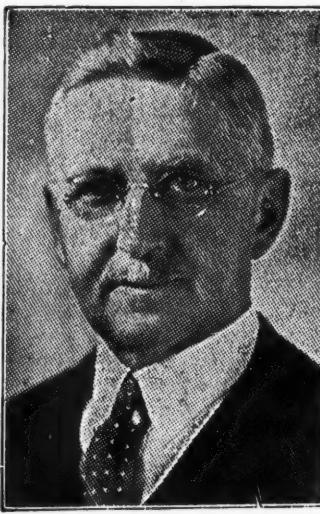
The company's lack of liquidity was criticized by Mr. Fondiller. He said 90.6 percent of its assets are virtually frozen in non-liquid investments. Of this amount 68 percent is represented by real estate and mortgage holdings. Policy loans amount to 21.8 percent of investments, this actually representing merely an offset against reserve requirements. The bond portfolio, he said, is largely made up of semi-speculative issues, the proportion of that type of low market value bond being 79 percent of total holdings, he testified.

Nelson Hadley, former head of the New York department's life division and a special examiner for the Michigan department, testified that he considered the company in "hopelessly insolvent condition." He held that the Rio Grande properties, in view of their failure to show an operating profit, should be deemed a liability rather than an asset of the company.

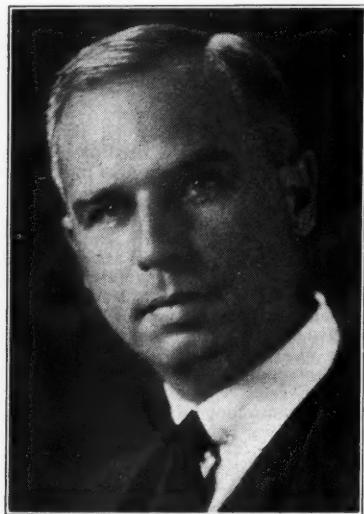
Department experts showed that by capitalizing on past due interest and other accrued items the company could show \$1,098,131 additional assets over a 5-year period and had provided an earnings total \$463,513 in excess of reserve requirements.

The company sought to attack Com-

Arrange Commissioners Convention



ARTHUR B. WOOD



JAMES W. SIMPSON

At the meeting of the National Association of Insurance Commissioners in Quebec, starting June 15, two officials of the Sun Life of Montreal will be prominent in the outside activities. Arthur B. Wood, president of the Sun Life, is chairman of the general arrange-

ments committee. James W. Simpson, superintendent-at-large, public relations official of the company, is secretary of the reception committee. Mr. Simpson is always seen at commissioners' conventions and Mr. Wood is an internationally known figure.

missioner Gauss' motives for petitioning for a custodianship. George Klein of the company's legal staff attempted to show that Mr. Gauss was prejudiced against Wilber M. Brucker, vice-president and general counsel and former Michigan governor. The commissioner denied he had threatened the company with reprisals for continuing Mr. Brucker as an officer and counsel and also denied that he had promised the company a private hearing before applying for a custodianship.

The state supreme court balked any possible appeal on jurisdictional grounds when it declined to consider a protest of a ruling by Judge Carr, presiding at the hearing in Ingham county circuit court, accepting jurisdiction.

Leon Greenberg of Iowa, who had participated in the 1936 as well as the 1938 examination, testified that he made a supplemental report to his department after the 1936 examination, holding the company impaired to the extent of \$1,000,000 on the basis of Iowa laws. He said his state relicensed the company in 1937 on a limited basis. He also testified that Pennsylvania, participating in the 1936 examination, barred the company from any further operations there.

President Ayres on Stand

C. L. Ayres, president of the American Life of Detroit, appeared as a witness for the first time. During several hours of questioning he contended that the company is in sound condition despite a rigorous experience throughout the depression. He said it paid out more than \$10,000,000 during the depression years without impairing its basic financial structure, having borrowed a total of \$1,494,469 from the RFC and Detroit banks in that period and obtained an additional \$200,000 by mortgaging its old home office building. He claimed all of these obligations were met in full by 1937.

He defended the investments, chief point of attack of the state's experts in their effort to show it is impaired to the extent of \$2,152,961. He testified that the Rio Grande valley properties in Texas, into which the company has poured a total of more than \$3,000,000, will more than repay the investment and that the company has more than made expenses there.

He read from a tabulation prepared by the statisticians showing claimed earnings, its gross investment earnings, its investment assets, its investment ex-

pense, and percentage of investment revenue to invested assets.

Gross investment revenue over reserve requirements, he stated was approximately as follows, from 1933 to date: 1933, \$11,000 deficit; 1934, \$150,000 over; 1935, \$97,000 over; 1936, \$84,000 over; 1937, \$235,000 over.

Admitted mean investment assets for these years were given as follows: 1933, \$17,314,000; 1934, \$16,973,000; 1935, \$16,146,000; 1936, \$15,858,000; 1937, \$16,200,000.

The percentage of investment to mean invested assets for the years was given as: 1933, 3.88 percent; 1934, 4.93 percent; 1935, 5.39 percent; 1936, 5.45 percent; 1937, 6.44 percent. In this connection, Mr. Ayres said he appended a note to the effect that the "gross investment revenue for the year indicated includes some interest items that were carried over from the previous year's statement as delinquent; it does not include interest due and accrued but unpaid at the end of the year indicated."

Testimony regarding a proposed merger of certain Detroit life companies in 1933 and of liberal salary "adjustments" made in his behalf by directors was given by President Ayres. Objections, sustained by the court, halted details of his story regarding a conference in September, 1933, between Commissioner Gauss, Claris Adams, former vice-president American Life; A. J. Groesbeck, president Michigan Life; E. C. Shields, Lansing attorney and Democratic national committeeman, and others. Mr. Ayres said he was ill in a hospital at the time but Mr. Adams told him Mr. Gauss had suggested a merger and had appointed a committee to study the plan. This portion of the testimony was halted when Mr. Ayres was prevented from relating a telephone conversation with Shields.

W. M. Brucker, American Life counsel, evidently anticipated possible questioning of Ayres regarding salary matters by bringing out his own story of "back pay" received in 1927 and in 1932. Ayres said the board voted him a retroactive pay raise in 1927, bringing his salary up to \$12,000 yearly, plus interest, from the company's organization in 1907. He had been receiving \$1,200 a year plus commissions on personal production, which was netting him around \$8,000 annually at that time, he said. In 1932, when the company paid no dividends and borrowed more than \$1,000,000 from

the RFC, another adjustment was made to a \$20,000 a year basis. He said the \$127,500 he was paid was offset that year, however, by his deeding of his home and other property, valued at \$158,139, to the company. The salary schedule introduced in evidence valued the home at \$85,500 and gave his net salary as \$42,000. Ayres also described the Ayres Foundation profit-sharing plan, under which he was given title to a block of stock, dividends from which were to be used to reward veteran employees.

Reports Conversations with Gauss

Mr. Ayres testified that Commissioner Gauss, late in 1934, told him that he (Gauss) had sought unsuccessfully to obtain action by Patrick H. O'Brien, then attorney-general, to seek a receivership for the Detroit Life but that the department considered the American Life "all right." He said Gauss also asked Ayres and Brucker to intercede with the newly elected Republican governor, F. D. Fitzgerald, to retain him as commissioner. Fitzgerald, however, appointed John C. Ketcham, Mr. Gauss being returned to office by the present governor, Frank Murphy.

Mr. Ayres said he declined to give full cooperation to W. W. Tanney, department real estate appraiser, during the recent examination, because the state had declined to appraise all company properties. In cross-examination, the state sought to infer that Ayres had "written his own salary ticket" but he denied this. He testified that economies he had recently suggested to the board and which became effective April 1 would have saved the company \$167,789 annually. He said he had recommended a \$4,800 annual salary for himself.

Avoid Bank Plan Issue

BOSTON.—The taxation committee of the Massachusetts legislature made its report on the savings bank life insurance bill and adroitly avoided meeting the main issue by recommending appointment of a recess commission to study the problem. The bill, sponsored by the Massachusetts Association of Life Underwriters, sought to have a law enacted limiting the amount of insurance to be carried by any one person in the savings bank life insurance system to \$3,000, instead of \$24,000, as at present.

St. Louis Congress Plans

ST. LOUIS.—Adam Rosenthal, president of the Life Underwriters Association of St. Louis, has announced plans for the sales congress May 19.

Speakers will be: George H. Schumacher, Massachusetts Mutual Life, Cleveland, O., "My Plans for 1938"; Rev. F. W. Condit, pastor First Christian Church, Eldorado, Kan., "As a Layman Views Life Insurance," and W. T. Earls, New England Mutual Life, Cincinnati, O., "Value of Time."

The congress will be free to paid members of the association but others will be asked to pay an entrance fee of \$1.

Bankers Life Appointments

Dr. A. E. Johann is named by the Bankers Life of Iowa as medical director to succeed the late Dr. Ross Huston. E. McConney, vice-president and actuary, was chosen to succeed to Dr. Huston's place as a member of the board of directors. Mr. McConney joined the Bankers Life in 1924. He has served continuously as actuary since that time and became vice-president and actuary in 1934.

Dr. Johann has been with the Bankers Life since 1922, when he entered its service as assistant medical director.

Sykes in Oregon

PORLAND, ORE.—Frank H. Sykes, first vice-president of Fidelity Mutual Life, was the guest of Kenneth S. Reed, Oregon manager. Mr. Sykes is making a tour of the company's principal branch offices.

Sees Group Cover Supplemented by Permanent Forms

(CONTINUED FROM PAGE 1)

ected by ordinary life and other permanent forms of insurance.

"Various plans can be employed so long as they do not select against the insurance company. For example, a recent case of ours gives one year's pay in group life after one year of service. When the three-year service point is reached, another year's pay is added in permanent insurance. The employee pays \$7.20 per \$1,000 for the group life and half the cost of the permanent insurance. If he is under age 50 when the permanent insurance goes into force, he has a paid-up at 65 policy; if age 50 or over, ordinary life."

Group Stops at 65

"At age 65, the group life is discontinued, just when the cost begins to rise rapidly. Paid-up insurance, of course, requires no further premiums. If ordinary life is carried, and the employee desires protection beyond the paid-up value of the contract at age 65, the employer will continue to pay half of the premium if the employee does likewise. Should the employee leave, he has all the rights of the permanent policy, including the part paid for by the employer."

"There is obvious appeal to the employee in paying for his share of permanent insurance only a moderate amount over the customary group life contribution and in return having all rights to cash value. For example: under non-participating insurance, an employee age 35 at 30 percent pays \$12.78 per year for paid-up at 65, or \$5.85 more than for group life. In 30 years to age 65 he pays \$167.40 more. The cash value at age 65 is \$688."

May Pay More Than Half

"Employees may, of course, pay more than 50 percent of the cost of permanent insurance. The plan is still very attractive to them. We have used 70 percent with great success. The employer can arrange the plan in such a manner that he pays no more than he would for an equivalent amount of group life. The effect of buying permanent insurance naturally is to make the cost to the employer initially higher, but lower eventually."

Touching on group accident and health, Mr. Forster said that "this type of coverage has proved particularly popular with employees, who, if given a choice, would in most cases place it ahead of group life, because they see a chance to collect something under the plan." Where employers hesitate to deprive existing employees' benefit associations from handling accident and sickness claims, Mr. Forster recommended that the association be continued as the claims-paying agency and that a number of insurance companies are willing to permit such an arrangement. Experience has indicated that claims committees of the employees' associations are fully as critical of claims as if the association were self-insured, he said, since they realize that in the long run the group is going to pay for the benefits which the members receive.

C. W. Kellogg, president Engineers Public Service Company and president Edison Electric Institute, New York City, said that fundamental soundness of the utility business and belief in the ultimate fairness of the American people are the reasons why insurance companies continue to pay the highest prices of all time for electric utility bonds, despite "unfair and subsidized competition by the federal government." Mr. Kellogg was the speaker at the dinner session, at which A. E. Dodd, president American Management Association, presided.

"From long observation I know the people of this country can be relied upon to be fair when they know the facts," Mr. Kellogg declared. "Their interest

in our business has been and must necessarily be limited to getting from us the best possible electric service at the lowest feasible cost. The record the utilities have made in the last decade in rate reduction and extension of facilities . . . has been reflected in a mounting public verdict for our service as compared with government ownership. Out of the 22,638,000 votes cast in the last five years in local elections where this question was at issue, the percent favoring government ownership fell from 70.5 in 1933 to 11.5 in 1937. This is the best answer to our critics because it is the most convincing one."

Parley with Life Presidents Leaves Cummings Hopeful

(CONTINUED FROM PAGE 1)

000 a year," and of the public served by the vast majority of life insurance men and women.

Prestige, he said, comes, first of all, from character and there is no substitute for it. Next is the prestige of being known as a hard worker. Third is the prestige of the agent's "knowing his stuff." Fourth is the prestige of representing a good company, and in this connection Mr. Cummings took a crack at agents whose sales strategy include reflecting on competing companies.

Deploring the "dog-catcher" method of getting new members, under which he said it was not surprising that some mongrels were collected along with the thoroughbreds, Mr. Cummings said that in the future associations should be more selective in seeking members and that from now on efforts would be made to keep out the twisters and rebaters and all who reflect on the life insurance business. He also advocated a stricter selection policy in recruiting new agents. Observing that more than 11,000 agents' contracts had been canceled during the last three years as a result of the agency practices agreement, he said the problem is now to be so careful in selection that it will not be necessary to turn loose a big bunch of failures in the future and that career men and women in the life insurance business should be protected from those who lack the capacity to succeed.

Wants All Chiselers Put Out

Mr. Cummings urged the elimination of part-timers in urban centers, terming them "all the chiselers from bank presidents to bootblacks" and predicted that this situation would be one of the big issues at the Houston convention.

President A. V. Youngman of the New York association presented certificates to the three winners of the high school essay contest in the Greater New York area in connection with the "Annual Message of Life Insurance." C. Preston Dawson, chairman in charge of the local committee, announced the winners and read the winning essay.

Chairman R. G. Engelsman of the nominating committee announced its slate of officers and directors. The full list will be found under "News of Life Associations" department in this issue.

Van Winkle's New Setup

General Agent Kellogg Van Winkle of the Equitable Society in Los Angeles has placed Assistant Manager Harold E. Kaye in charge of business insurance. He is also the tax expert. Since the change the division has written \$100,000 of business insurance.

C. P. Brady, who has been with the agency 10 years, is appointed group and salary savings supervisor and already has ten groups to the credit of the new division.

Fred Kruger, formerly of the Denver office, has been appointed home loan supervisor.

Two Prizes in One Agency

A situation which has not been duplicated since the first Oregon insurance

leadership trophy was awarded in 1934 has arisen in Portland. For the first time, one agency has won both first and third positions in volume of production. This year, William J. Sheehy of the Oregon Mutual Life home office branch agency won first prize, while Will R. Lewis of the same agency took third place.

Must Have Parent's O. K.

LINCOLN, NEB.—Life agents who write minors under the new juvenile insurance law are to be warned by the state insurance department that they should not sell such policies without the consent or knowledge of parents or guardians unless for cash. Such a practice is held to be inimical to the interests of life insurance. Attention of the department was called to the situation by protests from parents of two youths who had been solicited and who gave notes in payment of premiums. When

the notes became due they defaulted and judgments were entered. Not having taken any steps to remove themselves from their normal status of minors, their earnings and property belong to their parents, but in one case the person to whom the note was sold attached the youth's wages and in the other his car, much to the indignation of the parents who threaten court action.

St. Louis Trust Council Elects

G. C. Wolf, insurance trust officer for the Mercantile Commerce Bank & Trust Company, has been elected president of the recently created St. Louis Insurance Trust Council. Fred T. Rensch, general agent National Life of Vermont, is vice-president and A. E. Miller, Northwestern Mutual Life, treasurer. Directors include A. P. Shugg, general agent Aetna Life; H. H. Cammack, general agent John Hancock Mutual Life, and Thomas Hara, New York Life.



W O R K E R ?

Are you a worker? Are you willing to really work hard developing a life insurance general agency of your own?

If you are, here is your BIG OPPORTUNITY to become a full-fledged general agent under direct contract with one of the fastest growing, most successful life insurance companies in the East.

All we ask is that you show a personal paid for production of \$100,000 during the last year; feel that there isn't much chance of growing with

your present company and have family responsibilities.

Here is your chance to secure a liberal general agency contract with a company that knows how to help you build a profitable general agency. It's an opportunity to establish your own business; develop your own sales force; increase your earnings and become the head of a permanent business in your own community. If you are interested, don't delay writing Mr. William J. Sieger, Vice-President, for the complete details of this exceptional opportunity.

Right now there are several good openings in Pennsylvania; New Jersey; Rhode Island; Maryland and Delaware.

BANKERS NATIONAL LIFE INSURANCE COMPANY

Montclair



New Jersey

"ANNUAL MESSAGE" APPEALS TO MILLIONS

(CONTINUED FROM PAGE 1)

harm to the institution of life insurance, it seems only natural that our present position should make us the targets for publicity hunters who are lacking in knowledge of life insurance. Many of the opinions they express are based on incomplete or inaccurate understanding of life insurance and of the service it can render.

Position Is Fortunate

"I am not minimizing present-day difficulties. But since the heavy financial storms have washed so lightly against the foundations of life insurance, aren't we in a far more fortunate position than most types of business organizations?

"Can we have any real worries about public confidence in our business when we stop to think about half the people in this country are putting their hard-earned money into our hands in return for our promise to deliver certain sums at the time specified on the piece of paper which these people receive in return? The competent life underwriter can recommend with a 'gilt edged conscience' the investment which he offers his client, whether we are in a period of good times or bad."

Talk of Billions Wrong

Mr. Stevenson said life companies and agents are to blame for talking too much about billions of dollars and not enough about the widows and orphans who are protected. "I wonder if we will not some day get back to the real fundamentals and talk about ultimate consumers of life insurance," he said. Life insurance dollars always are emergency dollars, which are much more valuable. Life companies and agents should not be distressed by difficult economic conditions, for these are experienced by all business. Where it is more difficult for life companies to earn adequate interest on investments, there is less chance for the individual to make an adequate income from his private investments. The agents ought not to worry about investments and interest up and down, Mr. Stevenson said.

He was introduced by C. B. Stumes of Stumes & Loeb, general agent Penn Mutual, chairman general agents and managers division at Chicago. The ten winners in the letter contest were introduced, including Richard Baer, Hyde Park high school, first prize winner. Roy L. Davis, assistant insurance director of Illinois, was at the speakers' table, and also Carl A. Berger, president Insurance Brokers Association, and Helen Thomas, chairman women's division, Chicago association.

S. S. Eckstone, Franklin Life, contributed a silver plaque, suitably inscribed, which was presented to Mercy High School, which contributed four of the ten letter contest winners. Sister Agnita, the principal, and Sister Mary Evelyn were present to accept the award.

L. M. Buckley, Provident Mutual, is general chairman for the week in Chicago.

CUMMINGS A SPEAKER

PHILADELPHIA—O. Sam Cummings, Dallas, president National Association of Life Underwriters, started Philadelphia's annual Message of Life Insurance activities at a breakfast sponsored by the Philadelphia Association of Life Underwriters with a ringing declaration against government in business. "I am against the government engaging in private business in any way, shape or form," he stated, "and it is about time our industry and others woke up and realized what is going on. There is nothing political about this statement, I would say exactly the same thing if there were a Republican administration in Washington."

Life insurance does not speak for itself, he said. "It needs spokesmen."

With 100 propaganda factories in Washington alone, it behooves the life insurance industry to get together and tell its story. "Never was there a time in our history when it was so important that the public be told about the work of legal reserve life insurance and the life underwriter as it is today." Unless life insurance delivers its message properly to the public, it may have no message to give, he said. He denounced bank life insurance, which, he said, threatens the American agency system. He paid tribute to Dr. S. S. Huebner.

Mr. Cummings also addressed the combined managers and supervisors groups here, stressing the definite need of a testing technique in selection of new agents.

CLEVELAND

CLEVELAND.—In his address before the Cleveland Life Underwriters Association, O. Sam Cummings, national president, stated the position of life insurance today and what the American agency system faces.

Life insurance, he said, came through the depression almost unscathed and presents a wonderful record, with 123,000,000 contracts in force today. Since Jan. 1, 1930, the federal government in its social program has added 10½ billion dollars into the pockets of the people.

Public Does Not Understand

In spite of this record and in spite of the good work already done in the way of publicity, the public does not understand life insurance. The life insurance field, like any other, must have its spokesmen. A public relations agency or central agency is badly needed for the dissemination of correct information regarding insurance and the prospects are favorable that such an office will be established.

Savings bank life insurance represents the greatest threat the American agency system has ever faced. And yet the American agency system is responsible for the success and growth of insurance in the United States. Britain, where it is sold over the counter, is far behind us. If the public really understood the agency system they would never allow savings bank insurance to become a reality. Agents have sold the public on the idea of protecting themselves; have helped them to get the right policies; have kept the premiums coming in so they would not lapse; have worked with them to complete intelligent programs; have collaborated and advised as changes occurred or new needs arose; have, in short, watched the general welfare of their clients. None of these services can be supplied by a savings bank. "It is our job therefore, to oppose savings bank life insurance. Banks have no more place in the life insurance business than life insurance men or companies would have in the banking business. I am opposed to government participation in any business. It is up to us to educate the public."

CINCINNATI

The Cincinnati Life Underwriters Association at its breakfast had over 170 attending. George J. Woodward of the Equitable Life presided.

Rev. Frank Nelson of Christ Church, Cincinnati, the speaker, said: "Life insurance forces me to put away money I can't put away any other way."

In his work as pastor of a large church in the basin of the city, Rev. Nelson has observed the value of insurance among the well-to-do and among the very poor. "I see the importance of life insurance better than you do," he said.

Telling the agents that life men are

apt to talk in terms not understood by those they want to sell, the speaker urged agents to speak in words of one syllable of the "things that are ABC to you. It is difficult for you to talk in the language of ABC but if you are not going to get resentment in return you must do so. You have so great a thing to sell that you have reason to be proud of your profession and to be jealous of it. You have policy holders to pay and also a company to maintain. There are times when these two obligations clash. There are times when loyalty to one may conflict with loyalty to the other. You must have faith in your undertaking. There come times when you are not only discouraged but you do not see how you can keep up your integrity. There are times when you doubt the work of keeping the integrity of your profession clean. The truth is in the faith and not in the disillusionment. Those of you who keep that courage and integrity build up your profession and win respect for yourself and win loyalty for your profession."

E. E. Enoch reported 125 downtown shops and 200 suburban centers displaying posters relating to the annual message of life insurance this week. Twenty-five luncheon clubs and organizations will hear speakers discussing life insurance during the week. Six window displays in the center part of town are carrying the message and all street cars show posters on the rear of each car publicizing the week.

PITTSBURGH

PITTSBURGH—E. Paul Huttinger, secretary of the agency department and manager of training of the Penn Mutual Life, was principal speaker at the early bird breakfast of 500 life men. He said:

"To those who have faith in the onward and upward progress of mankind and believe that democracy will survive, I'd like you to think with me for a few moments about this institution called life insurance, an outstanding example of how individuals can be persuaded to unite for common good.

"Will you examine these facts, take what you like of them as your own, and translate them into action this week, this month and this year.

"1. For almost 100 years this institution has been underwriting social security in America.

"2. It passed almost unscathed through the worst depression of modern times, and some people call it the worst depression of all times. It has proved its safety and dependability under strain.

Paid Out Billions

"3. In eight years it has poured 20 billions of dollars in cash into the economic branch of the nation, without creating a single dollar of public or private debt.

"4. Of this amount \$2,400,000,000 was paid last year, which is at the rate of \$250,000 an hour.

"5. Today the faith of Americans in this institution is proved by the 10 billion dollars of life insurance in force, owned by 64 million policyholders.

Four Guiding Principles

"What about our responsibility now and in the future? It seems to me that it can be expressed very briefly in four guiding principles:

"1. A respect, based on facts, for the institution that enables us to live while engaged in doing good in the world. This calls for reflection.

"2. A recognition that individually we have never measured up to its perfection; that as an institution it is far superior to the best of us. This calls for modesty which is the beginning of wisdom.

"3. That our personal debt can never be repaid through perfecting ourselves as instruments of its message. This calls for dedication.

"4. That we have needs as imperative as those of our prospects and policyholders; that one of the most im-

For Trustee



SAM R. HAY, JR.

HOUSTON, TEX.—Following immediately upon the action of the Houston Life Underwriters Association in nominating Sam R. Hay, Jr., Houston branch manager Great Southern Life, for national trustee, the Houston General Agents & Managers Association held its annual meeting and unqualifiedly endorsed the nomination and appointed a committee to give the action nation-wide publicity.

Mr. Hay entered life insurance as a personal producer in Houston shortly after returning from France during the World War and continued until he was made superintendent of agencies of the San Jacinto Life which subsequently merged into the Great Southern Life. Following several years of similar activities with this company, he was made manager of the Great Southern Houston branch agency Oct. 1, 1936. Under his leadership the agency has reached an all time high for the first quarter of this both in home office and field.

tant of these is the need of leadership.

"What do I mean by leadership? There are as many definitions as there are types of leaders. The best is the ability to find followers and to persuade them to do something they do not want to do. A leader without followers is a figment of the imagination for he has no one to direct. A leader who can induce his followers only to do things that please them is an anomaly since he has no function. But if we can induce young men and women to do constructive things, to surrender \$100 which they would like to spend on some transient luxury, for the purpose of protecting their families with \$5,000 life insurance and assuring themselves of an equal amount at age 65 if they live, we have revealed qualities of leadership that make for national progress. That is rebuilding America. And if we can persuade men of character to engage in this work we are multiplying our leadership."

He was introduced by W. A. Arnold, II, program chairman. The meeting was opened by Erroll Ripley, Northwestern Mutual, president of the association, who turned it over to R. M. Stevenson, general agent National Life of Vermont and chairman of the Annual Message program. The meeting was attended by 550. Robert N. Waddell, general agent Connecticut Mutual, introduced Mayor Scully, who endorsed the idea of educating the public as to the value of life insurance which he termed "a bulwark of our economic existence."

Holgar J. Johnson, general agent Penn Mutual, introduced Mrs. Florence Fisher Parry, local newspaper columnist, and

one of the judges in the high school essay contest, who presented the prizes in the local contest. The first prize winner of the Pittsburgh contest, Joseph P. Bennett, was also chosen first prize winner in the state.

RADIO TALKS GIVEN

Talks on life insurance over local radio stations throughout the week were given by Mr. Ripley; Frank C. Wiggin-ton, agency manager Bankers Life of Iowa and first vice-president of the association; Eric Johnson, associate general agent Penn Mutual and association second vice-president; Holgar Johnson; Jack Kennard, supervisor Home Life of New York; Mr. Waddell; Henry W. Abbott, general agent Massachusetts Mutual and president of the General Agents & Managers Association; R. S. Koehler, Mutual Benefit Life, and William M. Duff, president Edward A. Woods Company, general agents Equitable Society and trustee of the National Association. Eric Johnson spoke at the annual life insurance dinner sponsored by the chamber of commerce, civic clubs and the life underwriters.

BREAKFAST IN BIRMINGHAM

BIRMINGHAM, ALA.—An early bird breakfast inaugurated the observance by the Birmingham Association of Life Underwriters of the Annual Message of Life Insurance. T. J. Hammer was chairman for the week. Speakers at the breakfast were F. P. Samford, president Liberty National Life, and Dr. Joseph Broady, local minister. The association also publicized the event in the newspapers, in show windows and on billboards.

BROADCAST FROM PORTLAND

PORTLAND, ORE.—Frank Sardam of the Northern Life, as chairman of the radio committee, spoke on the Annual Message of Life Insurance over the radio. E. B. MacNaughton, president of First National Bank of Portland, also spoke over the radio. Seth B. Thompson, general agent Penn Mutual Life, was program coordinator for the Life Underwriters Association of Oregon.

LOS ANGELES AWARDS PRIZES

LOS ANGELES.—Prizes were presented to essay contest winners by President Alex A. Dewar of the Underwriters Association of Los Angeles at the meeting of the forum. Kellogg Van Winkle spoke on "Handling Objections."

JOINT GATHERING IN UTAH

OGDEN, UTAH.—To inaugurate the Annual Message of Life Insurance in Utah, the Salt Lake and Ogden underwriter associations held a joint session here. Timely talks were made by Reed Gammell, president Ogden association; F. E. Walker, president of the Salt Lake and state organizations; N. L. Morris, state chairman of the essay contest; G. H. Lowe, Stacy D. Garn and others. An interesting feature of the session was the presentation of awards by Mr. Morris in the essay contest in which nearly 1,000 entries were received.

CONGRESS IN LITTLE ROCK

LITTLE ROCK, ARK.—To climax its varied and colorful program for the Annual Message of Life Insurance, the Life Underwriters Association of Little Rock will hold a sales congress May 13. Speakers include Jack Lauer, Cincinnati, chairman of the "Million Dollar Round Table," Hugh D. Hart, Pyramid Life, Little Rock; Gale F. Johnson, Metropolitan Life, St. Louis; Henry O'Neal, Shreveport, and H. G. Hewitt, Houston, Texas.

BREAKFAST IN COLUMBUS

COLUMBUS, O.—The Annual Message of Life Insurance got under way in Columbus with a breakfast under the auspices of the Life Underwriters Association of Columbus, at which five-minute addresses were made by Avery G. Clinger, president Ohio National Bank;

Mayor Gessaman; Byron P. Redman, manager Kroger Grocery & Baking Co.; Judge Carl V. Weygandt, chief justice Ohio supreme court, and Dr. Link Murphy.

The association had a beautiful float in the Northwest Territory Celebration parade in Columbus.

JEROME CLARK AT ST. LOUIS

ST. LOUIS—Jerome Clark, executive vice-president of the Union Central Life, was the principal speaker at a breakfast rally launching the observance of the Annual Message of Life Insurance. He talked on "Prestige and the Life Underwriter." There were 902 present. Tom Collins, Sunday and literary editor of the Kansas City "Journal-Post" spoke on "Successful Worrying."

James G. Callahan, manager Metropolitan Life, was toastmaster. Walter W. Head, president General American Life, was general chairman.

The life underwriter's greatest concern should be the building of personal prestige in his community, said Mr. Clark. "If you can develop prestige as an outstanding underwriter everything else will be easy. Your prestige as a life insurance man is important to many beside yourself. It is important to your agency and company, for when you are pursuing your business you are the personification of both. It is important to your clients, for they must depend, in the last analysis, upon the man you are for a proper job of insurance underwriting.

"There are four fundamental factors in prestige building. The first is knowledge, the second judgment, or proper application of knowledge to solve the individual problem, the third success, and fourth, character."

More than 60 talks were made on life insurance before various civic and social gatherings in greater St. Louis during the week. Governor Stark and Mayor Dickmann cooperated by issuing proclamations.

JOHN Q. AGENT" PUT ON TRIAL

CHATTANOOGA, TENN.—The "Annual Message" week was inaugurated with a breakfast meeting May 9. Attorney John Chambliss spoke on "The Advantages of Straight Life Insurance" and a humorous but forceful play was given in which "John Q. Agent" was aired for various delinquencies. In the cast were Bart Leiper, advertising manager Provident Life and Accident; Paul M. Ray, manager home office life department Provident Life & Accident; H. H. Mansfield, Massachusetts Mutual; D. A. Park, New England Mutual; H. P. Dunlap, Connecticut Mutual, and Miss Georgia Brannon, New York Life.

LAUNCH WEEK ON COAST

SAN FRANCISCO.—More than 200 attended the "kick-off" breakfast Monday.

Under the direction of L. M. White, Northwestern Mutual Life, general chairman, prizes were awarded to the six winners in the essay contest. As chairman of the women's committee in charge of the essay contest, Mrs. Jeanette Van Slyke, Pacific Mutual Life, gave some features of the contest. G. W. Lynn, managing editor San Francisco "Call-Bulletin," presented the prize checks to the winners.

Paul Taylor, Sacramento manager California-Western States Life, stressed the value of the emotional appeal in the sale of life insurance.

Annuitant Gives Carillon

PITTSBURGH, PA.—The \$100,000 carillon which will ring a greeting for the San Francisco Golden Gate exposition next year from Grace Cathedral in San Francisco, is a gift of Dr. Nathaniel Coulson, whose income from annuities totals approximately \$32,000 a year. He derives annuity income from the Reliance Life of Pittsburgh and other companies. He has been living on the proceeds from his annuities since 1925, and gives most of his income away. He is now 85.

Chairmen for Pennsylvania Insurance Days Named

PHILADELPHIA—Committee chairmen for the 1938 Pennsylvania Insurance Days, sponsored by the Insurance Federation of Pennsylvania, to be held here at the Bellevue-Stratford May 26-27, have been announced by S. J. Carr, resident vice-president Standard Accident and general chairman of the two-day convention. They have started formulating an outstanding program.

The keynote will be sales promotion and all of the session programs are being shaped with the aim of providing helpful, business-getting ideas for those attending. While no list has yet been released, it is said that a number of outstanding speakers have accepted invitations to speak.

Committee chairmen are, fire, Sheldon Catlin, vice-president North America; casualty and surety, W. A. Edgar, Philadelphia manager United States Fidelity & Guaranty; fraternal, James L. Wilmett, secretary Junior Order United American Mechanics and president Pennsylvania Fraternal Congress; ordinary life, E. L. Reiley, manager home office agency, Penn Mutual Life; industrial life and accident, Elmer R. Deaver, president Progressive Life and president

Philadelphia Health & Accident Alliance; accident and health, Radcliffe Whitehead, Maryland Casualty, president Accident & Health Club of Philadelphia; industrial life, W. J. Bradley, publicity manager Home Life, Philadelphia; insurance department, Commissioner Hunt of Pennsylvania; banquet, T. A. Engstrom, Philadelphia manager Aetna Life and affiliated companies; publicity, L. E. Shallberg, Philadelphia manager Ocean Accident; reception and registration, John D. Pharaoh, 2nd, special representative United States Fidelity & Guaranty; ladies, Mrs. W. B. Corey, Fort Washington, Pa.; smoker, John A. Diemand, executive vice-president Indemnity of North America.

Budlong with Globe Indemnity

NEW YORK—Announcement is made of the appointment of R. C. Budlong as advertising manager of Globe Indemnity. Recently Mr. Budlong has been connected with Brown & Bigelow. Before that for several years he was advertising manager of Northwestern National Life of Minneapolis. For several years he was an associate editor of THE NATIONAL UNDERWRITER in Chicago and in New York. He is a graduate of Grinnell College, Grinnell, Ia.

Modern Life Insurance Since 1845



BACK of the Mutual Benefit man stands a home office with a proved ability to cooperate in the drafting of even minute details of an individual life plan. Back of him also stands a record of stability and fair dealing—a record of sound protection and liberal treatment. The Mutual Benefit has always been more liberal than any insurance law required. Of its own volition the Mutual Benefit pioneered the Principle of Retroaction, which extends so far as possible all new benefits to old policies, making them in effect as modern as the newest.

The Mutual Benefit
LIFE INSURANCE COMPANY
Newark, New Jersey

EDITORIAL COMMENT

No Justification for Federal Investigation

INSURANCE companies are supervised by all state departments, being carefully scrutinized and publicized. State departments are inclined to be critical and are looking for any weakness or sign of departure from the straight and narrow path. With this amount of supervision and control it would seem that insurance companies were kept very closely in line. Today a majority of those in the business would prefer state supervision to federal. Therefore they see some danger in a message of President ROOSEVELT to CONGRESS in which he classes insurance companies as reservoirs of great investment funds, having a

kinship to investment trusts and he asks that the SECURITIES & EXCHANGE COMMISSION be authorized to make an investigation, with particular relation to the use of the investments as an instrument of economic power.

Both people in the insurance business and, in our opinion many policyholders, do not agree with President ROOSEVELT that there is any need for any federal investigation inasmuch as insurance companies are investigated and examined by so many departments and a careful oversight is kept of their activities. They do not seek domination in other fields.

People Should Make Themselves Secure

PRESIDENT DUFFIELD of the PRUDENTIAL, always wise in his observations, deliberate in what he says and never radical, declared in his address to agents that men will only be secure when they make themselves secure. That is, we cannot get security by any economic legerdemain, by any trick method or short cut.

There must be strong foundations as President DUFFIELD pointed out. Then the individual himself must not rely on the government or anyone else for his salvation. He makes his own life and charts his own course. We do not want to get in the dependent state where we lose our own freedom.

Insurance Companies and Loans by the RFC

INSURANCE has given a good account of itself in connection with the RECONSTRUCTION FINANCE CORPORATION which has loaned millions of dollars to various industries. It is interesting to see how insurance has been able to repay its obligations. The total loans made to insurance compa-

nies of all kinds were \$89,675,416 and the total repayments amounted to \$86,918,419. There has been some money repaid since Jan. 1. Undoubtedly there is no other industry that has given so good an account of itself in this connection as has the insurance business.

Action Can Now Be Deliberate

THOSE who attend life insurance meetings of all kinds appreciate the fact that they are becoming more deliberate and the discussions center about what may be termed definite trends that are seen following the depression. During the last few years life insurance companies have had to meet vexing, baffling and unprecedented problems. They came en masse, so to speak. This was more or less bewildering to home office executives and there was noticeable some hysteria. It was difficult to tell which way to turn. There were so many paramount issues at hand that required action. Fortunately these have been pretty well ironed out. Companies were forced to make immediate decisions.

Some of them have been hasty and ill-advised. Mistakes have been made and yet on the whole, people will give credit to life insurance for the way it has emerged from an era that was destructive in its tendencies.

There are now definite problems confronting head offices and they should be met with judicial temper. Their solution should not be reached impulsively but time should be taken for a well thought out program. Probably the greatest issue before companies relates to investments. That reaches far down the line and will require the most profound, clearest and most earnest thought to decide which kind of a policy to adopt.

A Revealing Story of Insurance Supervision

THE comment by Insurance Commissioner S. L. CARPENTER of California to the effect that he is not seeking or desiring reappointment brings a lesson to all who are especially interested in insurance super-

vision. He calls attention to the fact, for instance, in the great state of California, which is an important commonwealth insurance-wise, that less than 2 percent of the income from insurance goes to the

maintenance of supervision. That is, the very great bulk of it goes to the general revenue of the state.

Naturally a big percentage of the revenue gotten from insurance should go to the state outside of the insurance department. At the same time the public and the insurance industry are entitled to adequate supervision because of the large amount of money paid in. With the exception of the state department that handles the automobile licenses there is perhaps no other that is so remunerative to the state as the insurance department. Commissioner CARPENTER frankly declares that he is in favor of

tax reduction but he does not favor diverting 98 percent of the taxes and fees collected from insurance to go to other purposes at the expense of those paying this tax.

He states that he has an insufficient number of employees to carry on the work properly. The salaries of employees are not sufficient to attract the men that should be in this special work. This is a situation probably confronting every insurance department in the country. It is a picture of state government that is most somber and of itself in this connection as has the insurance business.

PERSONAL SIDE OF BUSINESS

Commissioner C. F. J. Harrington of Massachusetts was tendered a dinner in Boston by city officials of Watertown, Mass., where he is a member of the board of education, and by former associates and friends in the insurance business and company officials. A. D. Cronin, Boston broker, was toastmaster. J. H. Carney presented Mr. Harrington a clock and desk set. About 75 were present.

S. C. McEvane, general superintendent of Canada Life, sailed for England for a three weeks' visit to the British Isles division. He will attend a convention of club members at Torquay.

John Marshall Holcombe, manager Life Insurance Sales Research Bureau, was a visitor in Salt Lake City, guest of the Beneficial Life. He said figures obtained by his bureau show that sales opportunities in life insurance in the "great and growing west" are considerably better than in the east and that the western section is suffering less from business recession.

A quarter century of service by Mrs. Ella P. Hastings, cashier in the St. Paul office of the Bankers Life of Iowa, was recognized at a testimonial luncheon given by Manager T. H. Tomlinson.

Mr. and Mrs. W. O. Cord have returned from their annual visit to Florida. Mr. Cord is manager of the Penn Mutual Life in Dayton, O., a big personal producer, and life member of the Million Dollar Round Table.

A. N. Booth, who has been associated with Morris McCready for the past year as general agent of the Massachusetts Mutual Life in Wichita, Kan., has resigned to become secretary-manager of the Wichita chamber of commerce, of which he was assistant secretary for eight years. Prior to that connection he had been with the insurance department of the Wheeler-Kelly-Hagny Trust Co. of Wichita.

J. E. Conklin, Hutchinson, Kan., district agent Equitable Society and president Hutchinson Life Underwriters Association, was named governor of the 122nd district of Rotary International at the annual conference in Pratt, Kan.

Stratford Lee Morton, St. Louis general agent, this month is celebrating 30 years' continuous service with the Connecticut Mutual Life, the last 26 as gen-

eral agent. President J. L. Loomis and other home office officials will attend a banquet Friday in Mr. Morton's honor. The company also is celebrating its 90th anniversary in St. Louis, being the first life company to establish an agency west of the Mississippi river.

Mark T. McKee, vice-president and director of the Yeomen Mutual Life, has been elected a director of the American Airlines. He has been associated with the Yeomen Mutual Life organization from its beginning.

Henry F. Condict, Mutual Life of New York, Schenectady, N. Y., celebrated the 50th anniversary of his connection with that company. He began his career with the Mutual Life as an accountant in the home office, where he remained for 16 years. Then for nine years he acted as cashier in various offices, among them that in Cincinnati. For the last 25 years he has been in Schenectady.

Tim Crowe, agency director New York Life at Rochester, N. Y., is recovering from an appendectomy. He was formerly in Utica, N. Y.

F. Dayton Davis, educational director of the American Life, died at the age of 79. He had been educational director since 1922, editing the "American Life Banner," preparing the company's sales material and conducting schools for life underwriting and salesmanship.

Mr. and Mrs. Leonard H. Savage of Oklahoma City are the parents of a son, Philip Larimore Savage, perpetuating the line of Savages to serve as assistant insurance commissioner of Oklahoma. Both his father and his uncle, Royce Savage of Tulsa, served in that capacity. Both are practicing law, giving especial attention to insurance cases.

George C. Capen has completed 25 years with Connecticut General Life. A Trinity College graduate, he went to the company in 1913 and since 1921 has been assistant superintendent of agencies. On his anniversary he was guest of honor at a luncheon given by a number of his fellow officers.

A rose petal motif has been selected for the birthday campaign of President C. S. Macdonald of Confederation Life of Toronto. He becomes 65 years of age July 11 and a production campaign

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CINCINNATI OFFICE—420 E. Fourth St. Tel. Parkway 3140. Louis H. Martin, Mgr.; Abner Thorp, Jr., Director Life Ins. Service Dept.; C. C. Crocker, Vice-President.

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HARTFORD OFFICE—Room 606, 18 Asylum St., Telephone 2-0855. R. E. Richman, V. P. Mgr.; Miss A. V. Bowyer, Pacific Coast Editor.

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in his honor is being conducted from May 10 to July 10. Producers are to attach a rose petal sticker to each application. Mr. Macdonald is an admirer of roses.

Superintendent Pink of New York addressed the housing conference of St. Lawrence University, Canton, N. Y., on "What the State Can Do for Housing." He is chairman of the state board of housing.

Wishing to express their sincere wishes to President and Mrs. W. T. Grant for a happy European trip, the sales organization of the Business Men's Assurance devoted the week of April 25-30 to making "Sales for Sailing." As a result of the week's activities 725 applications were written, totaling 3,118 paid points and \$509,754 life insurance. The individual members of the sales force were privileged to send in a special greeting to President and Mrs. Grant, in which was included the amount of business produced for the week. Some 450 greetings were received.

C. H. Baker, general agent Monarch Life, Rochester, N. Y., observed his 15th anniversary as head of the agency. He has built an office with annual premium income exceeding \$250,000 from a start of \$3,000 there when he began operations. About 50 people were present at a banquet held after a sales session. There are 22 full time agents. Present from the home office were President C. W. Young; J. W. Blunt, vice-president; F. L. Merritt, manager of agencies and Alan Crowell, agency department secretary. Mr. Baker was presented a silver service.

H. W. Spence, who is retiring as western Michigan manager Mutual Life of New York at Grand Rapids, Mich., was

NEWS OF THE COMPANIES

Company Is Now Mutualized

Final Step Is Taken in the Retirement of the Capital of the National Guardian Life

The final step in the mutualization of the National Guardian Life of Madison, Wis., was taken May 4, by the First Wisconsin Trust Co. of Milwaukee, trustee, when the 2,000 shares, being all the capital stock, were canceled and totally destroyed by fire. The Wisconsin laws provide that the holders of life insurance shares are to be registered at the office of the insurance commissioner and transfers can only be made on his approval. A certificate from the trust company has been filed with the Wisconsin department as well as at the home office. On Sept. 22, 1936, pursuant to an affirmative vote of some 96 percent of the stockholders, the articles of incorporation were amended to provide for the retirement of stock and the complete mutualization.

Western Union Life Deal Is Contested by P. F. McBride

LINCOLN, NEB.—Paul F. McBride, cashier of the Western Union Life, secured a temporary injunction restraining James W. Bachman, president, and Charles H. Sharick, secretary-treasurer, from proceeding further with a contract by which the Lincoln company is to be merged with the Republic Life of Dallas. The contract is now before the insurance department for approval, but Director Smrha said no final order had been made. Several other companies have been interested in taking over the Western Union, an examination of which is now in progress. Unfavorable publicity in connection with the prosecution of its

honor guest at a party given by 50 members of his staff. He is being succeeded by C. E. Brown, formerly Mutual Life manager at Des Moines, Ia. The company has 26 offices and 18 other independent agents in the territory. Mr. Spence is planning to attend the convention of the National Field Club in San Francisco June 2-3, accompanied by four agents from his district, and later to visit Hawaii and Florida. He has been with the company 38 years, 20 years being in Detroit. He returned to Grand Rapids in 1926.

P. J. Engelhardt, 53, Milwaukee general agent of the Old Line Life of America since 1919, died at his home there. He started in life insurance in 1912 at Escanaba, Mich. He became division manager at Green Bay, Wis., in 1914, and from there went to Milwaukee five years later as general agent.

E. E. Carroll, 49, chief clerk of the auditing division of the secretary's office of the Northwestern Mutual Life at the home office in Milwaukee, died there after a long illness. He started with the company as a messenger 31 years ago after graduating from high school. A brother, M. A. Carroll, is a member of Cameron & Carroll, general agents of the Northwestern Mutual at Oshkosh, Wis.

Ed Mays, former president of the Continental Life of St. Louis, now residing at Leslie, Ark., has announced his candidacy for the Republican nomination as judge of the county and probate courts of Searcy county, Ark.

W. L. Forbes, manager Metropolitan Life's central district branch in Detroit, died after a brief illness. Mr. Forbes was 55 years old and had lived in Detroit 26 years, most of them spent with the Metropolitan.

Photo by G. W. Smith

Suddenly insurance may become their sole defense...against SEVEN VITAL NEEDS

If you were wealthy, your family's seven insurable needs wouldn't have concerned you so greatly. The life that would leave you, though, is the one that your loved ones depend on.

But if your assets are limited, your family's ahead with extra cash to make ends meet, or you're possibly an extra income producer, then your family's a living life insurance investment.

Unfortunately, a few fathers are experts though in insurance matters. The Union Central Life Company's unique service, *Family Needs Forecast*, can help you overcome this lack of knowledge.

This remarkable service makes it possible for you personally to analyze the needs. It shows you every one of the seven needs that may come to your family, and it shows you, almost like a dollar, how well your present life insurance could take care of each of these needs.

Now you can make informed personal decisions from every insurance dollar you have.

If you had had this Forecast you could probably see how to increase the proceeds of your insurance so that every dollar will do the most good for your family. You could plainly see whether there are any improvements that might be made to your present coverage.

There are first the *straight* costs of obligations involved in your use of the *Family Needs Forecast*. There

is next year a Union Central Life representative, capable and understanding, who will be glad to show you how to use it. Above you, there will be more to come. Your insurance agent, the actual needs it might really have to meet. Just call the company.

...you will receive this valuable booklet, *Family Needs Forecast*.

Family Needs Forecast

The UNION CENTRAL LIFE Insurance Company

A \$200,000,000 INSTITUTION...FOUNDED IN 1857

THE UNION CENTRAL LIFE INSURANCE COMPANY OF NEW YORK, NEW YORK

Another sharply dramatic full-page

Another sharply dramatic full-page magazine advertisement on the Family-needs Forecast, appearing in May.

The FAMILY-NEEDS FORECAST

**makes the client-agent relationship
intimate and exclusive**

- Union Central's new basic selling plan enables the underwriter to render a service so complete, so highly professional, that his client's permanent loyalty is assured.

This plan, the Family-needs Forecast, diagnoses in detail the *seven vital needs* that will face the client's family. And it shows, almost to the dollar, how far his present insurance will go in offsetting these seven needs.

From such a sound basis, the underwriter can prescribe for the future with complete authority. Secure in his client's confidence, he becomes his lifetime insurance counselor.

The UNION CENTRAL LIFE Insurance Company
CINCINNATI, OHIO

\$810,000 of these excess reserves, and contended that the remainder of the \$2,240,519 of excess reserves should be retained by it to cover depreciation of securities and because of the uncertain financial outlook nationally.

The company filed an appeal a few hours later, in which it asked the district court to hold the order of the department illegal and void and that the act of the directors in directing the distribution of \$810,724 be ratified. It is declared that it is not in the best interests of the policyholders, and that it directs distribution of \$498,000 in which policyholders have acquired no individual rights and which is not apportionable, but is held for purposes of promoting the interest and growth of the company.

J. B. Chase, attorney for several policyholders who have brought suits demanding distribution, said he would file a cross appeal in order to protect the rights of all policyholders, but that the amount of the distribution is satisfactory.

Additional Reserves Set Up

The department states that the contingency reserve fund of \$650,000 plus the \$82,000 in the general fund at the time of the examination May 4, 1937, is sufficient to take care of fluctuation in assets, excess mortality losses and operating expenses. In addition it directs the company, which is paying for 1938 a dividend of \$81,528, to set up an additional reserve of \$28,557 to be added to policy reserves on account of collecting premiums only to the end of the month in which death occurs instead of to the end of the policy year, and also \$72,885 for adjustment of past inequities and to avoid future inequities in premium reduction credits resulting from the practice of granting to limited pay, term and endowment policyholders credits computed for continuous premium whole life policies.

Stand on Members' Suits

The Royal Highlanders, a fraternal, accumulated \$2,240,519 of excess reserves, of which \$1,508,561 was unapportioned at the time that its members voted to mutualize. Several lawsuits were started by policyholders who wanted to have this divided in the form of cash, but the department took the position that this would be unwise and permitted the company to choose between several methods of distribution outlined.

The department estimates that under its order there will be available as a credit between \$400 and \$500 on each \$1,000 of insurance held by policyholders.

Two Nebraska Companies Are Reinsured by Modern Life

LINCOLN, NEB.—Insurance Director Smrha has sanctioned the reinsurance by the Modern Life of St. Paul of the American Annuity and the National Thrift of Omaha. The American Annuity took over the American States of Lincoln a year ago, after it had previously taken over the American Thrift. It has assets of \$1,387,000 and insurance in force of \$4,118,611, having the past year pursued a campaign to transform thrift certificates into endowment policies. The National Thrift has assets of \$518,424 and insurance in force \$1,471,000.

Official Staffs

The Modern Life had \$2,105,730 assets and over \$9,657,693 insurance in force last Dec. 31.

Officers of the American Annuity were: President, H. O. Hutson; vice-president, Frank M. Johnson; secretary and treasurer, I. J. Good. Officers of the National Thrift were: President, Mr. Hutson; vice-presidents, C. I. Palm and T. S. Motte; secretary, J. E. Ealand; treasurer, V. Crouse. Mr. Hutson will join the executive staff of the Modern Life.

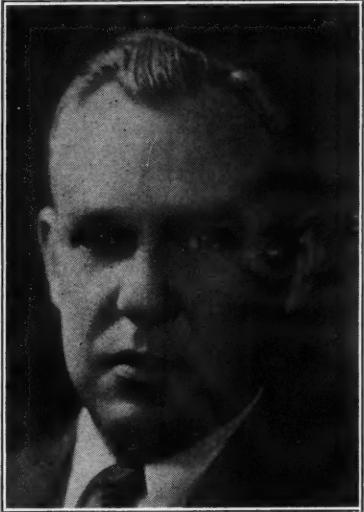
A ruling by the Minnesota commerce

AMONG COMPANY MEN

Joining Pan-American Life

Frank T. Limont Becomes Its Superintendent of Agents, Now Being with the Equitable Society in the South

Frank T. Limont has been appointed superintendent of agents of the Pan-American Life. He was born in Boston and educated at Boston College and the Harvard School of Business Administration. He resigned his commission in the army to join the Equitable Society as a



FRANK T. LIMONT

field representative. Because of his fine personality, a natural aptitude for selling and his ability to teach salesmanship and direct large groups of men, his promotions were rapid. Several years ago he was advanced to superintendent of agencies of the southern department.

A. J. Starner with Acacia

Albert J. Starner has become an agency supervisor of Acacia Mutual Life. He has engaged in life insurance activities in Brooklyn, Boston and Baltimore. He has had long experience as agent, supervisor, assistant manager and manager.

In recent years he has been manager

commission on the merger is expected in about a month.

Old Line Life's First Quarter

Assets of the Old Line Life of America as of March 31 were \$20,781,818, a gain of \$231,964 the first quarter. New paid insurance showed a 19 percent gain, insurance in force increasing to \$78,343,046. Reserves to policyholders now total \$18,301,189. Gross income was \$865,661 the first quarter, a gain of more than \$50,000. Payments to policyholders and their beneficiaries were \$357,560. Mortality was but 36 percent of the expected.

Relicensed in California

The Lutheran Mutual Life of Waverly, Ia., formerly the Lutheran Mutual Aid, which has operated in California as a fraternal for a number of years, has been relicensed as a mutual legal reserve company.

Lincoln National Well Ahead

Paid business of the Lincoln National Life for the first four months is over 20 percent ahead of a year ago and 20.6 percent ahead for April. During the four months the company wrote \$56,000,000 compared to \$46,500,000 last year.

of the Baltimore branch of Connecticut General Life.

New Standard Life Directors

The Standard Life of Indianapolis has added to its board of directors Ura Seeger, West Lebanon, Jack Leslie, Indianapolis, and F. J. Latendreese, Marion. All officers were reelected. The company reports a 47 percent increase in new business over the first three months of last year.

Goes on Agency Committee

The Bankers Life of Iowa announces the appointment of M. E. Lewis, superintendent of agencies, to the agency committee. He will serve with Vice-president W. W. Jaeger, E. M. McConney, vice-president and actuary, and W. F. Winterble, director of agencies.

Roland with Old Line

The Old Line Life of America has appointed Raymond M. Roland field superintendent. Mr. Roland has been active in life underwriting for 16 years with the American Life, 13 years as an agent and three years as a supervisor. He is a graduate of the Michigan State College.

Holmberg on Coast

On a survey and inspection tour of the Pacific Coast, G. C. Holmberg, vice-president of Northwestern National Life, was the guest of the W. Biddle Combs Agency, Portland, Ore. He was accompanied by his daughter, Elizabeth, and J. M. Campbell, head of the field investigation department.

J. S. Ireland and Robert Bryson of the agency department of the Sun Life of Montreal have been visiting Sun Life agencies in New England.

New Secretary-Actuary of Republic National Life



T. M. MOTT

T. M. Mott has been elected secretary and actuary of Republic National Life of Dallas, succeeding C. E. Hastings, who resigned to practice law. Mr. Hastings will continue as a director and will serve as counsel.

Since 1927 Mr. Mott has been connected with Haight, Davis & Haight, consulting actuaries of Indianapolis. He graduated from the University of Kansas in 1921 and served in the actuarial department of Bankers Life of Iowa from then until 1925. He was assistant actuary of Liberty Life of Topeka for two years before going with the Indianapolis concern.

SALES MEETS

Agents Meet at Swampscott

Massachusetts Mutual Convention Program June 6-8 Offers Holcombe and Clark Addresses

Program for the annual convention of the Massachusetts Mutual Agents Association at Swampscott, Mass., June 6-8, is announced. President Perry is to welcome the agents the first morning and J. C. Behan, vice-president, and J. M. Holcombe, Jr., manager Sales Research Bureau, will talk. A home office clinic will be held in the afternoon with A. D. Lynn, assistant director of agencies, as chairman. J. F. Handy, associate counsel, and W. C. Sullivan, attorney, will discuss legal matters; J. L. Marchese, manager benefit department, settlement agreements; Michael Marchese, assistant secretary, and Arthur Faulkner, manager underwriting department, underwriting matters; and C. W. Small, assistant director of agencies, and Seneca M. Gamble, agency assistant, sales promotional topics. A dinner will be held the first night with Wrayburn M. Benton, agency secretary, as toastmaster.

To Hold Sales Seminars

Vice-president A. T. Maclean will speak the second morning in a general session. There will then be three sales seminars, one on taxation and business insurance, with W. L. Meissel, New York, as chairman; another on auditing and programming, with J. Hawley Wilson, Peoria, Ill., chairman, and a third on sales helps for new agents, with H. I. Davis of Atlanta, chairman.

A C.L.U. luncheon with J. E. Davis of Pittsburgh as chairman will be addressed by P. F. Clark, Boston general agent John Hancock and a C.L.U.; C. W. Reuling of Reuling & Williamson, general agents, Peoria, Ill., and Vice-president C. O. Fischer. A supervisors meeting will be held in the afternoon with H. G. Behan of Hartford as chairman. The third morning L. E. Simon of New York will talk on the daily conference and there will be other talks by field men, the convention being wound up with a talk by Vice-president Behan.

Vermillion Agency Holds Club Meeting in Milwaukee

MILWAUKEE.—The annual field club convention of the Milwaukee agency for Wisconsin and Upper Michigan of the Mutual Life of New York was held here under the auspices of Gifford T. Vermillion, manager. John J. Major, agency organizer, presided at the morning session at which Mr. Vermillion discussed "Company Affairs"; Robert E. Lindwall, Manitowoc, Wis., spoke on "Endowment Annuity"; Dr. Wm. A. Ganfield, president of Carroll College, on "What Is Right With America." Guy R. Dana, field club secretary, reported. Featuring the afternoon session, at which Lloyd F. Roberts, supervising assistant, presided, were a film entitled "Persuasion Makes the World Go 'Round"; a question and answer period; a talk on "How to Get Applications" by C. C. Robinson, editor "Insurance Salesman," and a talk on "The Spirit of the Mutual Life," by G. A. Satten, superintendent of agencies from the home office in New York. The convention concluded with a dinner dance.

Mr. Vermillion announced that 11 members of his agency qualified as either member or associate member for the Field Club conference in San Francisco June 2-3. Bradlee Van Brunt, Milwaukee, has qualified nine times.

Connecticut Mutual Conference

ST. LOUIS.—James Lee Loomis, president Connecticut Mutual Life; Har-

old N. Chandler and Vincent B. Coffin, vice-presidents, and Dr. Charles Homan, assistant medical director, will visit the St. Louis agency on May 13. A number of general agents from various cities will also be present.

New York Life Meeting

DENVER.—The Denver branch of New York Life will hold an agency meeting May 16. Agents from the mountain territory have been invited to a luncheon and a banquet. Griffin M. Lovelace, vice-president, will speak.

Equitable's St. Paul Conference

Dan Mason, instructor from the home office, conducted a week's sales conference for leading producers of the Equitable Society in that territory at the S. D. Krueger agency in St. Paul. Producers from Minnesota, North and South Dakota attended. The Shea, Krueger and Keating agencies sponsored the conference.

The final day about 50 district managers and field assistants of the Krueger agency held a conference of their own.

Regional Rally on Coast

All southern California agents of Pacific Mutual Life gathered for a regional conference with home office officials. Comprising the group were the Paschall-Gist Agency of Los Angeles and the G. C. Janney agency of San Diego.

Speakers included A. N. Kemp, president; Asa V. Call, executive vice-president; D. C. MacEwen, vice-president and superintendent of Agencies; William Breiby, vice-president; Floyd Forker, sales promotion manager, and Malcolm White, manager of field training. More than 100 were present.

New York Life Meet

ST. PAUL—Minnesota agents of the New York Life will hold a conference in St. Paul the last week of May. Carl Ledgerwood is in charge of arrangements.

New Orleans Agency Meets

At the annual convention of the New Orleans agency of the Mutual Life of New York, speakers were R. F. Lawton, manager; W. R. Meredith, Shreveport; S. F. J. Trabue, New Orleans; J. A. Peart, district manager Alexandria; H. A. O'Neal, president Shreveport chamber of commerce; Rev. L. J. Bristow, superintendent Baptist hospital, and Rabbi Julian Feibleman.

Rally at Denison, Ia.

Agents of the Bankers Life of Nebraska for which John H. Beck is general agent for several counties, met at Denison, Ia. Fred M. Sanders, secretary, attended from the home office.

Klingenberger in St. Louis

J. J. Klingenberger, agency secretary Lincoln National Life, addressed the L. S. Becker agency in St. Louis at a breakfast meeting, launching the annual contest for the President's Plaque. The St. Louis agency was victorious in 1937.

Hold Rally at Green Bay

Agents of the Northwestern Mutual from six counties in northeastern Wisconsin held their semi-annual sales meeting in Green Bay under supervision of B. E. Darling, district manager. Speakers included D. N. Cameron and M. A. Carroll, general agents, and F. H. Metz, agency cashier of the Cameron & Carroll agency at Oshkosh Wis.

Pink on Job Three Years

NEW YORK—Louis H. Pink completed three years as superintendent of insurance of this state May 10, having been first named to the office by Governor Lehman in 1935. Members of his staff in both the Albany and New York City offices tendered him a luncheon here in recognition of the event.

AS SEEN FROM CHICAGO

CANADA LIFE MEN MOVE

The Canada Life's Chicago office will be moved June 1 to 1042 Field building, 135 South LaSalle street. The office has been continuously in the Rookery since it was established over 40 years ago. Berrien Tarrant is the manager.

W. C. PECK REPORTS GAINS

The Illinois department Reliance Life, W. C. Peck, manager, reports life insurance written in April increased 125 percent as compared with the same month a year ago and accident and health gained 98 percent. Additional space has been taken in 100 North LaSalle street, Chicago. Seven counties in eastern Iowa have been added to the territory, which includes the Illinois counties north of Springfield and 23 counties in northern Indiana. District managers will be appointed in several of the important cities in the field.

ROONEY BEFORE SUPERVISORS

Judge G. A. Rooney, assistant to the probate judge of Cook county, spoke on "Wills in Action" at the May meeting of the Life Agency Supervisors this week.

WOOD AGENCY STANDS SIXTH

The Freeman J. Wood agency, Chicago, placed sixth among all Lincoln National agencies for April. Paid business for the company during this period was 20.6 percent ahead of a year ago. A considerable portion of the agency's success is directly attributable to an effective selling plan which was instituted some time ago by Mr. Wood. He developed a well organized estate programming service employing an unusual method of presentation. The agency does a substantial volume of brokerage business.

T. J. HOUSTON THE WINNER

There has been seesawing back and forth so far as the results in the recent Republican primary for state central committeeman for the 10th Congressional district in Chicago are concerned. It was thought T. J. Houston, former insurance commissioner, now committeeman, was nosed out by a Waukegan man. The final returns show that Mr. Houston was elected by getting 17,169 votes while the Waukegan man got 11,446 votes. The only other insurance man running on the ticket was Harve G. Badgerow of W. A. Alexander & Co., who received 8,811 votes. There were 70,091 Republican votes cast in the district, which gives Mr. Houston the largest voting strength in the committee.

FRANKLIN LIFE DINNER

The F. J. Budinger and Joseph E. Young agencies of the Franklin Life in Chicago had a joint dinner Wednesday evening of this week, Mr. Budinger presiding. There were present from the home office Secretary Will Taylor, Assistant Treasurer James Abels and Robert Howey, manager home office agency. Ralph Colby, manager at Indianapolis, and W. J. Olive, manager at Holland, Mich., were present.

Messrs. Olive, Colby and Howey discussed sales methods that are getting business at present. Mr. Abels talked on "Service Commission Values." General Agent Young spoke on "Double Protection." Mr. Budinger gave his attention to "Minimum Income Charge." There was a special sales meeting in the afternoon, when most of the speaking was done.

CHICAGO FEELS EFFECT

Chicago agencies are feeling the effect of the economic and business conditions. There have been more minus signs during the last two months than for some time previous. Many offices

have showed an increase each month right along. One of the features was the failure of those who had signed applications to take the policies when they arrived. They found, in the meantime, that they had been greatly affected financially, or at least thought they had. Therefore there was considerable issued business that had to be returned. The present conditions are affecting business chiefly in Boston, the New York City area, Philadelphia, Pittsburgh, Buffalo, Cleveland, Detroit and Chicago. In these cities and the surrounding territory the great bulk of life insurance is written.

ZIMMERMAN ADDRESSES CLUB

Charles J. Zimmerman, Chicago general agent Connecticut Mutual Life and secretary of the National Association of

Life Underwriters, in speaking before the Insurance Club of Chicago, gave a number of convincing arguments on the fundamental needs for life insurance in the average individual's investment program. Selfishness and short-sightedness he said, are two principal reasons why adequate insurance provisions were not made. Over 95 percent of the population is without sufficient coverage and 80 percent of the remaining five percent have their life insurance programs set up ineffectively, he commented. Mr. Zimmerman believes in recommending only those contracts to a client that will accomplish the specific purpose for which they are intended. Using this as a basis in selling the individual, he outlined the various types of insurances citing their advantages and disadvantages when applied to certain situations. He listed requirements which give rise to a clean-up fund, salary continuance or adjustment fund, minimum and life income coverages. Other problems find a clean-up fund, salary continuance or



"SOME DAY I WILL"

"Those are empty words," this earnest life insurance salesman tells the prospect who has decided to wait before acquiring protection.

"No matter how sincerely you mean them, you can't justify delay.

"Between now and 'some day' there will not be the safeguard for your family which life insurance affords. What if something happens to you between now and then?

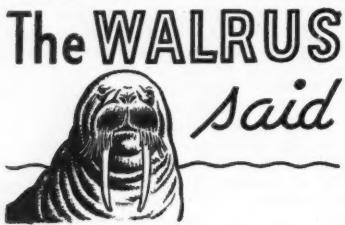
"You can't afford to wait."



The Prudential
Insurance Company of America

EDWARD D. DUFFIELD, President

Home Office, NEWARK, N. J.



Harper & Brothers, Grossett & Dunlap and the International Mark Twain Memorial Society, all gave their blessing (and permission) when *Bankerslife* pictured a lad reading "Tom Sawyer" in a recent Collier's Weekly ad. Theme of the ad: That Life Insurance can assure a Fair Chance to the budding genius of American Boyhood.

—BLC—

"Down under" in Brisbane, Queensland, Australia, dwells Douglas R. Davies, life underwriter. From his letterhead we gleam this gem:

"Having more Life Assurance means that:

You will save more money if you live.

You will have more money when you are old.

You will leave more money if you die prematurely."

—BLC—

A life insurance salesman (company connection not known) casually posed for an illustration to appear in a *Bankerslife* ad with the heading: "Kind to His Wife . . . Cruel to His Widow." This ad won national recognition as a "Tide" chosen "Stopper." The model won local fame as the "ad" picture man for a rival company. When sought by *Bankerslife* for a new pose, he said: "Never again!"

—BLC—

Salesmen of *Bankerslife*'s "Onwiscsconsin Agency" (Madison) have dubbed Agency Manager Charles W. Tomlinson "Professor." For three months, he conducted Madison's first insurance training course, held under the auspices of Madison insurance agencies and attended by some 46 insurance men and women. An educator before entering life insurance, Mr. Tomlinson was well suited to his professional role. R. & R.'s famed Paul Speicher presented diplomas to the 46 graduates of the insurance course at graduation exercises April 29th.

BANKERS LIFE
DES MOINES COMPANY
Established 1879

their solution through educational insurance, emergency and retirement contracts. Particular stress was laid upon the value of a clean-up fund which, he said, provided for ready cash to pay outstanding debts of the deceased, notes, general administration expenses of the estate, taxes, burial costs and other miscellaneous items.

R. A. Parker, assistant manager of the Chicago Board of Underwriters, was also a speaker. W. F. Kuffel, Phoenix of Hartford, president of the club, presided. About 75 members attended.

The H. C. Hintz peter agency of the Mutual Life of New York in Chicago is ahead in sales for the first four months, having written over \$1,000,000 in April. To celebrate Mr. Hintz peter's 50th year in the business and his 64th birthday on June 5, the agency has set a goal of 500 applications. Seventeen members of the agency have qualified for the field club meeting in San Francisco.

INDUSTRIAL

Epidemic of Cash Surrenders

Policy Service Firm in Cincinnati Advertises Value to Be Found in Old Policies

CINCINNATI—A considerable number of requests for cash surrenders in industrial offices have followed the regular insertion of a classified advertisement in local papers by the Insurance Policy Service, 205 East Sixth street, reading as follows: "Cash—Old insurance policies are valuable, regardless of how worthless you believe them to be. Bring them in for honest appraisal."

The Insurance Policy Service has headquarters in the same office as the Associated Bureau of Investigation, which does private shadowing by both male and female operatives. It is headed by Lester Marshall, formerly an agent and superintendent for an industrial life company. He was head of the union organized in Cincinnati among industrial agents last summer, receiving the first charter for a group of its type from the American Federation of Labor.

A service fee is charged for an analysis of the policy, with a percentage of any amount recovered from the life company as an additional fee.

Mr. Marshall alleged that bad practices had resulted from the policy of industrial offices in emphasizing increase and that the services of an independent and impartial agency were needed to give policyholders unbiased advice and information about their life insurance. Mr. Marshall stated that programs were drawn up solely for the purpose of selling additional insurance and little attention was paid to the economic condition of the prospect.

John Hancock Conference

District managers of the John Hancock Mutual industrial offices met in Utica, N. Y., on current problems. Among other subjects discussed was the recently enacted New York legislation affecting industrial insurance. R. H. Pelham, field supervisor, was present from the home office.

What About Selling Stork a Policy, Asks Manager

Sam Berk, special agent for Metropolitan Life in Birmingham, Ala., was upbraided by his manager recently for being "so slow." A baby arrived at the home of a friend at 6:20 a.m. At 8:30 he delivered a policy on the life of the child to the father. The manager wanted to know why Mr. Berk did not get on the job in time to sell the stork a policy.

NEWS OF LIFE ASSOCIATIONS

N. Y. Association Gets Slate

First Nominations Are Made Under New Constitution Setup; L. A. Cerf, Jr., Recommended for President

NEW YORK—L. A. Cerf, Jr., manager Fidelity Mutual Life, has been nominated for the presidency of the New York City Life Underwriters Association, R. G. Engelsman, general agent



L. A. CERF, JR.

Penn Mutual and chairman of the nominating committee, announced last week at the May meeting of the association. Mr. Cerf has been a member of the executive committee for the last six years and has served as association treasurer for four. At present he is chairman of the executive committee, having been elected to fill out the term of Lloyd Patterson, general agent Massachusetts Mutual, who resigned.

The nominations are the first to be made under the new constitutional setup, which calls for three vice-presidents, having jurisdiction over administration, public relations and educational work, respectively.

Ward for Administrative Post

As administrative vice-president, the nominating committee recommended D. H. Ward, Knight agency, Union Central Life. He has for some years been a member of the executive committee and has served on numerous association committees. During the last year he has been chairman of the agency committee. He has been 23 years in the life insurance business, and has been a soliciting agent during the entire period.

For public relations vice-president the

nominee is H. H. Wilson, general agent Equitable Society. Mr. Wilson is widely known among Equitable general agents and has been extremely active in legal and legislative matters affecting the life insurance business, particularly the unincorporated business tax and the savings bank life insurance bill.

Alk Educational Vice-President

The nominee for educational vice-president is Benjamin Alk, of the Hyde agency, Penn Mutual, and a former president of the New York C. L. U. chapter. He has done notable work in fostering C. L. U. review work and has taken a keen interest in the educational affairs of the association.

To replace Mr. Cerf as treasurer, the nominating committee recommended S. S. Wolfson, general agent Berkshire Life. Mr. Wolfson has had several years' experience on the executive committee and has served on a number of other committees. He was at one time chairman of the life insurance week committee.

Skillings Slated for Chairman

R. B. Skillings, Home Life of New York, was recommended by the nominating committee for chairman of the board of directors, which under the new constitution succeeds the executive committee as the governing body of the association. Mr. Skillings was also nominated for a three-year term as member of the board. The nominating committee felt that because of Mr. Skillings' past services as a member of the executive committee, vice-president of the association and particularly as chairman of the committee which framed the new constitution and by-laws, he was best fitted to be chairman of the board.

Also nominated for three-year terms are R. H. Denny, general agent State Mutual; W. J. Dunsmore, manager Equitable Society; M. A. Osborn, Mutual Life of New York; C. Lamont Post, independent; T. H. Hodgkinson, New England Mutual, and H. R. Dowell, New England Mutual.

Two-Year Terms for Seven

Nominated for two-year terms are Beatrice Jones, unit manager, Equitable Society; W. Halsey Wood, unit manager Equitable Society; Lloyd Patterson, general agent, Massachusetts Mutual; W. F. McMartin, Northwestern Mutual; Albert Hopkins, Penn Mutual; J. M. T. Billson, Aetna Life, and I. Austin Kelly 3rd, Phoenix Mutual.

Those nominated for one year are: J. P. Jannotta, Massachusetts Mutual; F. E. Baker, general agent National Life of Vermont; C. E. Bartlett, manager Metropolitan Life; Elias Klein, general agent Travelers; J. T. Powers, Prudential; Guy Lyman, Aetna Life, and A. A. Fishkin, Guardian Life of New York.

In order to bring membership in the board of directors to the total required

Policies

For Lutheran Men, Women, and Children

From Birth to Age 60

and

Territory for Agents

In the Best States in the Union

Low Mortality — Low Net Cost

Lutheran Mutual Life Insurance Co.

Waverly, Iowa

by the constitution are the following who have already been elected: From the agency committee: R. W. Jones, Equitable Society; L. L. Lifshey, New York Life; A. V. Gardner, Northwestern Mutual; from the board of past presidents: A. V. Youngman, associate general agent Mutual Benefit Life; R. G. Engelsman, general agent Penn Mutual; J. M. Fraser, general agent Connecticut Mutual; J. S. Myrick, manager Mutual Life of New York; G. A. Kederich, agency supervisor New York Life, and C. D. Connell, general agent Provident Mutual.

Besides Chairman Engelsman, the nominating committee included Messrs. Gartner, Lifshey, Hodgkinson, Post, Fraser, Jones, and R. M. Simons, general agent Home Life of New York.

A. W. Hogue's Itinerary

DALLAS—A. W. Hogue, Texas state manager of the Business Men's Assurance Co., addressed associations of life underwriters as follows: May 9, Abilene; May 10, San Angelo; May 10, Big Spring, May 11, Lubbock; May 12, Northwest Texas at Amarillo; May 13, Wichita Falls. His subject was "Sales Methods to Meet Present Day Conditions." This tour is in cooperation with the Texas Association of Life Underwriters, of which Mr. Hogue is a past president.

Form Round Table Committee

PHILADELPHIA—The Philadelphia Association of Life Underwriters is the first local association to establish a local committee of the Million Dollar Round Table, with Thomas M. Scott, past chairman of the national body, as chairman. Other members are M. P. Brown and A. J. Ostheimer, 3d.

The first official action by the committee will be in the sponsoring of the life insurance section program of the 1938 Pennsylvania Insurance Days in Philadelphia, May 27.

Peoria, Ill.—The safety committee of the Peoria association of which F. Erle Cavette is chairman, formally dedicated the safety clock that carries a record of the Peoria death and accident toll. It is adjusted each day by police. It has been erected in a conspicuous corner of the court house yard at the main intersection where it is estimated 12,000 citizens each day will observe its face. The committee has also assumed the responsibility of establishing additional Red Cross first aid stations in Peoria county.

Sheboygan, Wis.—The nominating committee reported the following candidates to be voted on at the annual meeting in June: President, W. F. Patzer, Aetna Life, to succeed J. F. Hinkes, Bankers Life; vice-president, G. J. Cricklair; secretary, Charles Fiedelman; directors, E. G. MacDonald, William Zeinemann and Earl Bryan. Holdover directors are Harley Halverson, Joseph Hinkes and Curtis Sell.

LaPorte County, Ind.—E. M. Spence, supervisor New England Mutual Life, Indianapolis, spoke at a meeting in Michigan City. Agents from Michigan City and LaPorte attended.

Springfield, Mo.—Roy A. Sullivan, president, awarded prizes at a meeting to seven winners of the essay contest, with Helen F. Hornbeck winning the first award. Twenty-one members attended with William H. Coleman, acting secretary, winning an attendance prize. A. E. Veath, general agent Massachusetts Mutual, St. Louis, gave a number of practical suggestions whereby agents could improve their production methods. A motion was passed to invite the essay winner to attend the annual banquet.

Indianapolis—Five prize winners in the high school essay contest on life insurance were honored at a luncheon. R. E. Hanley, Equitable Society, Chicago, former football coach of Northwestern University and a life member of the Million Dollar Round Table, spoke.

San Bernardino, Cal.—Seventeen members of the Los Angeles association participated in a caravan trip. The meeting began with dinner at which 70 life men were present, following which the

State Association Is Formed in New Jersey

Leaders in New Jersey have organized a state life underwriters association. This was accomplished following a luncheon meeting of the Life Underwriters Association of Northern New Jersey in Newark. Representatives from Trenton and Atlantic City were present. This was done upon the recommendation of O. Sam Cummings, president National Association of Life Underwriters, Dallas.

Howard C. Lawrence, Lincoln National Life, Newark, is president; N. S. Cubberley, Trenton, Massachusetts Protective Life, vice-president; D. G. Cades, Sun Life, Atlantic City, secretary.

A committee has been appointed to draw up the constitution and by-laws, consisting of J. B. McWhinney, John Hancock; E. D. Finch, Jr., Guardian Life, and W. H. Masterson, Equitable Society.

visitors offered their program of educational addresses.

Northern New Jersey—The annual outing and meeting will be held June 25 at Mazda Brook Park, near Morristown, N. J. C. J. Schmitz is general chairman.

Manchester, N. H.—Commissioner Rouillard spoke on "The Functions of the New Hampshire Insurance Department."

Maine—National President O. Sam Cummings spoke at Portland, Me. He urged improvement in the quality of life insurance field men and described the educational work of the National association.

Sedalia, Mo.—A. M. Embry, manager for the Equitable Society, and Prewitt B. Turner, manager Home Life of New York of Kansas City, will speak May 13.

Fort Wayne, Ind.—H. J. Cummings, vice president and superintendent of agencies Minnesota Mutual Life, was principal speaker at the early bird breakfast. Hollis Logue is general chairman.

Columbus, O.—The breakfast meeting this week was addressed by A. G. Clinger, president Ohio National Bank; Mayor Gessaman, Dr. Link Murphy, B. P. Redman and Chief Justice Weygandt of the Ohio supreme court.

Los Angeles—At the forum meeting Kellogg Van Winkle general agent Equitable Society, spoke on "Answering Objections."

C. E. Cleeton, general agent Occidental Life, awarded prizes for the winners in the essay contest.

Kansas City—Dix Teachenor, leading producer of the Kansas City Life, stressed resourceful prospecting as the most important requisite to successful underwriting at the present time. He spoke to the young men's division of the association. The underwriter must find people not affected by the recession, he said, or who have been less affected than others by it. There always are persons to whom life insurance can be sold. The big thing is to keep going, to keep selling.

Important, also, is to make more interviews daily, if possible; and, of course, to close as many cases as possible, no matter how small, in order to keep up morale.

"Work among the men in your own class, grow up with them, follow them through life. Some of the men with whom I started out years ago have since purchased as much as \$100,000 of life insurance," concluded Mr. Teachenor.

Cincinnati—J. T. McCance, Aetna Life, Hartford, was elected president. H. V.

Krick, Penn Mutual, New Haven; Francis Vile, John Hancock, Waterbury, and Earl F. Roberts, Equitable Life of New York, Bridgeport, were elected vice-presidents, and A. F. Stoltz, Mutual Benefit, New Haven, secretary-treasurer.

Underwriters Association of Canada and released in the United States through the Research & Review Service. The price is \$2.50 per copy and it can be obtained from THE NATIONAL UNDERWRITER.

Admitted to 50 Year Club

Membership in the Fidelity Mutual Fifty Year Club was increased by 25 percent when Albert E. Borst of the head office staff joined this enrollment. The other members are: President W. L. Talbot, whose service dates from 1882; D. R. Midyette, manager at Richmond, dating from 1884; T. W. Van Hoosen, assistant treasurer, 1884; Karl Collings, head office agency, 1887.

Starting as a stenographer, Mr. Borst was made manager of the reinstatement department. In 1905 he was transferred to the agency department. Since 1922 he has been a "trouble shooter" in the Philadelphia area, among other assignments successfully reinstating a large amount of lapsed business each year.

The Twenty-Five Year Club was founded in 1928 with a membership of 62 and the Fifty Year Club was founded in January, 1937.

May was designated as Borst month with a special drive in his honor.

Read *The Industrial Salesman*, \$1 a year. 420 E. Fourth Street, Cincinnati.

Forty-Fourth Year of Dependable Service

THE STATE LIFE of Indiana is a purely mutual, old-line, legal reserve Company in its forty-fourth year of dependable service. . . . Has paid over \$116,000,000 to policyholders and beneficiaries, and in addition holds assets of over \$51,600,000 for their benefit. . . . Issues a wide range of policies from ages one day to sixty-five years, including Juvenile, Educational Fund, Family Income, Salary Continuance, Retirement Income, and other up-to-date forms. . . . Agency opportunities with complete training and service facilities for those qualified.

THE STATE LIFE INSURANCE COMPANY

Indianapolis
Indiana

AN OLD-LINE MUTUAL COMPANY FOUNDED 1894

ACCIDENT AND HEALTH FIELD

Result of the Page Contest

W. W. Baker of Miami, Fla., Leads Field in Number of Applications in the Travelers Campaign

HARTFORD, CONN.—Preliminary announcement has been made by the Travelers of the results of the three-months accident and health campaign in honor of B. A. Page, vice-president in charge of accident and health, which closed April 2. Final results will not be known until June 2, by which time the premiums must have been collected, but on the basis of applications accepted W. W. Baker, Miami, Fla., who has been ahead since the first week of the campaign, is ahead by a large enough margin to virtually assure him first place in the final standings. In the last week of the campaign alone, he wrote 36 applications.

The next four were, in order, W. B. Watkins, Cleveland; H. S. Stephan, Columbus; J. A. Klein, Newark, and G. O. right, West Palm Beach. The Jacksonville office, under Manager J. H. Lipscomb, Jr., led in the volume of premiums, followed by the Dallas office, under H. B. Gengnagel, and E. B. Dudley Chicago office.

During the three month period 3,558 agents wrote accident and health insurance, and 1,156 had the \$200 paid necessary to qualify for the campaign. Mr. Gengnagel's Dallas office had the most men qualified, followed by J. I. Thomason, in Peoria, and Mr. Dudley.

Many Life Company Men on H. & A. Conference Program

A program of unusual interest has been arranged for the annual meeting of the Health & Accident Underwriters

Conference, which will be held at the Edgewater Beach Hotel, Chicago, May 24-26. Aside from the special sessions devoted to agency management and legal problems, which list many problems of special interest, and the one devoted to hospitalization problems, with Dr. C. Rufus Rorem, director of committee on hospital service American Hospital Association, and C. O. Pauley, secretary Great Northern Life, as the speakers, the general program includes addresses by a life company president, E. A. Olson, Mutual Trust Life; an outstanding economist, Dr. Melchior Palyi; a discussion of agents' status under the social security act by Ralph H. Kastner, associate counsel American Life Convention, and group accident and health insurance by G. W. Fitzhugh, Metropolitan Life.

O. F. Davis, assistant agency director Illinois Bankers Life, will preside at the agency management session. J. C. Hagdon, vice-president Business Men's Assurance, will discuss "Agency Conventions," at that session, and E. H. Ferguson, assistant secretary Great Northern Life, will take up "Financing an Agent." Charles R. Holton, vice-president and general counsel Great Northern Life, will be a speaker at the legal session.

Philadelphia Claim Meeting

PHILADELPHIA—The recently organized Life, Accident & Health Claim Association of Philadelphia is holding its initial meeting May 19, at the Provident Mutual Life. G. M. Day, assistant manager of the home office claim department of Connecticut General Life, will give an address on "Rehabilitation." This talk was given before the International Claim Association.

C. I. Boutillier of the Connecticut General Philadelphia claim division is president of the association.

number of cases was 25, as against 16 for April of this year.

In March new business amounted to \$153,000, of which \$100,000 was business insurance. The number of cases was 20, or an average case of close to \$8,000. The reason for the substantial increase over 1937 appears to be due to more cultivation of people with a higher buying capacity, with the result that the average sale has been doubled as compared with last year, which was a normal year for the agency since 1930.

Moves Columbus, O., Office

The National Guardian Life has moved its Columbus, O., office from 33 North High street to larger and better equipped quarters at 1502 Buckeye building. Ben Paugh, superintendent of agents for Ohio, is in charge of the office. Mr. Paugh will hold an agency meeting May 16 with John Clapp, agency secretary, in attendance from the home office.

Sets Qualification Record

The Columbus, O., agency of the Mutual Life of New York has the greatest number of agents in its history qualified for attendance at the national Field Club convention at San Francisco in June. T. B. Winters has qualified for the club 16 times. The agency paid for 168.3 percent of quota in March, and for the first three months of the year 156.9 percent, a substantial increase over the corresponding three months of 1937.

R. W. Weathers is manager.

Gains by Woods Company

The Edward A. Woods Company of Pittsburgh, shows a gain for the second consecutive month in comparison with last year, with a 3 percent increase in April and 3½ percent in March. The total paid production in April was \$2,725,000.

For March the agency was led by its manager, William M. Duff, who paid for in excess of \$110,000.

During April the agency was led by an assistant manager, Maurice B. Cohill with \$220,000.

Honor Wickett and Munsell

The Baltimore branch of the New York Life honored F. A. Wickett, vice-president, and F. S. Munsell, inspector of agencies, at a dinner. Both guests spoke. Talks were also made by H. R. Happe, E. W. Koons, J. E. Kramer, G. A. Donoghue, Rabbi J. H. Feldman of Baltimore, and Otho J. Keller 3d of Frederick, Md. Harry J. Kirks, agency director presided. At the dinner in the evening special recognition was given to Guy C. Roser, who has completed 20 years of service.

Crane Agency Expands

INDIANAPOLIS.—The quarters of the general agency of the Northwestern Mutual Life at Indianapolis have been enlarged and remodeled extensively. A large part of the sixth floor of the Occidental building is now required to take care of the growing business. E. A. Crane is general agent. He has 22 associates with offices at the Indianapolis headquarters. There are nine district agencies throughout the state that report through Indianapolis. The office personnel numbers 13.

Caravan to Home Office

Each year at the end of the March campaign conducted by the Kansas City Life, the L. C. Mersfelder agency of Oklahoma sends a "caravan" to the home office in Kansas City. The complimentary trip was led this year by William Moore, assistant manager. The Mersfelder agency had \$288,000 of business in March, with Bert Reed leading with \$38,500 and Mrs. Bessie Dale second.

Increase in Applications

SYRACUSE, N. Y.—Myron Baxter, manager of the Mutual Life, reports a

RECORDS

Ohio National—April gain was 27 percent gain in paid business and 10 percent in written business. The Ohio National is well into its second year of consecutive monthly production increases. Ninety-two fieldmen, a record number, qualified for the Builders' Club meeting July 24-28 at Mackinac for which a minimum production of \$150,000 is required.

Central States Life—A 10.5 percent gain in new business in 1938 is reported. Gains were shown in three of the four months of 1938. January new business was up 21 percent; February gained 27 percent; and March, 8 percent. April was the first month to show a decline, going 4 percent under April of 1937. However the loss was suffered in the early part of the month and increased production during recent weeks gives promise of another boost in new business for May.

Monarch Life, Springfield, Mass.—Had a gain of about 15 percent in premium volume in April over April of last year and also for the first four months. Three agencies, those of C. H. Baker, Rochester, N. Y.; V. G. Edgcumbe, Albany, N. Y., and R. C. Laub, Springfield, Mass., had the largest April volume in their history.

National Life, Vt.—Reports sales of new life insurance the first four months of \$14,649,958, 1.89 percent less than for the corresponding period of 1937. In view of business experience throughout the country generally, this volume is regarded at the home office as very creditable to the field force. April brought another substantial gain in insurance in force and the month had a low mortality record. The company holds its biennial sales convention at White Sulphur Springs, W. Va., Aug. 29-31.

California-Western States Life—With a record-breaking April production, last month's sales were 133 percent of the same month a year ago. A notable increase in average size of April applications was an important factor in this gain.

Rockford Life—Production for the first four months of this year is 27 percent ahead of the parallel period last year.

Union Central Life—Sales for April were \$7,501,426. It was the third successive gain recorded in 1938, each month since January having seen larger production than the year before. Life insurance sales, accounting for \$6,153,390, were 82 percent of the total paid business. The direct mail system, playing an important part in new business activity, is believed largely responsible for the growth of sales through the four months.

Connecticut Mutual—With a gain of \$1,693,416 in April, insurance in force has reached \$90,430,516, \$11,289,448 greater than the total at the end of 1937. In the face of general business conditions, the new paid-for insurance compares favorably with last year's figures, \$30,310,656 having been written the first four months as against \$34,542,589 last year. Paid business by months this year has run: January, \$7,771,646; February, \$7,125,986; March, \$7,891,888 and April, \$7,382,796.

slight increase in business this year over last year in his territory, with a marked increase in the number of applications. Representatives of the Mutual Life in that territory this year have turned in almost half again as many applications in the early months as were produced last year.

H. H. Staub, Utica; W. E. Mix, Watertown, and R. G. Carick, Syracuse, have completed their qualification requirements for the Quarter Million Club.

LIFE AGENCY CHANGES

GOES WITH YEOMEN MUTUAL

Fuller, Penn Mutual Agent in Omaha, Takes General Agency in That City With Eastern Neb. Supervision

Harold L. Fuller has been appointed by the Yeomen Mutual Life of Des Moines as general agent in Omaha. His life insurance experience covers 11 years,



HAROLD L. FULLER

all with the Penn Mutual agency in Omaha. For each of the last five years Mr. Fuller has paid for at least \$250,000 of life insurance, has qualified for all of his company's convention trips, and has been among the first 100 agents on a paid for basis during that time. Among his other accomplishments are leading the Omaha agency of the Penn Mutual in volume for the last five years and leading the entire Penn Mutual field force for number of applications in August, 1936. Mr. Fuller will have charge of the eastern Nebraska territory.

Holiday Named Manager

J. E. Holliday, life and accident man with about 19 years' experience, has been appointed manager by the Federal Life in Kane, Kendall and Du Page counties, Ill., with headquarters at Aurora, Ill. This is a new agency, the company not having been represented there heretofore. Mr. Holliday had early experience with the Bankers Life of Iowa and for eight years has been connected with the Mutual Benefit Health & Accident as special agent and field supervisor in Arkansas, Oklahoma, Tennessee, Kentucky, Missouri, Illinois and Kansas.

Hanson to Grand Forks, N. D.

G. O. Hanson, of Fertile, Minn., has been appointed district agent of the Northwestern Mutual Life at Grand Forks, N. D. He will be associated with B. F. Auman, Fargo general agent. Mr. Hanson has been in the banking business at Fertile for ten years and has represented the Northwestern Mutual as a part-time agent. He will devote full time to life insurance.

R. T. Bireley Promoted

R. T. Bireley, cashier in the H. C. Lawrence agency of the Lincoln National Life in Newark for four years, has been named head of the life department of the O'Connel & Salisbury agency, New Brunswick, N. J.

Durant New Washington Manager
Armand Durant has been appointed manager of the Washington, D. C., branch of Connecticut General Life. He has been connected with that office since

1935 and he entered the business in 1933. He is a native of Atlanta and graduated from Virginia Military Institute in 1916. He served in the army for five years and went into business in 1921.

W. G. Batchelder has been the manager.

R. T. Bueschel Appointed

Richard T. Bueschel has been named general agent at Plainfield, N. J., by the Bankers National Life of New Jersey. Mr. Bueschel has been in the insurance business for 10 years, having previously been with the Equitable and Travelers. He is now president of the city council in Plainfield.

Carrothers Succeeds Tirrell

J. W. Carrothers has been appointed district manager of the National Life of Vermont at Topeka under E. A. Hasek, general agent at Kansas City, succeeding the late E. A. Tirrell. Offices are at 522 New England building.

JOINS BOIT, DALTON & CHURCH

Joseph Thompson has resigned as assistant manager of the Travelers Boston branch office to become manager of the life department of Boit, Dalton & Church. He has been in the life business since 1932 at Sanford, Me., and Portland, and went to Boston about a year ago.

Canada Life Advancements

J. J. A. Greene has been appointed cashier at Dayton, O., of Canada Life. Following nine years of service in the home office, Mr. Greene went to Dayton as acting cashier last September.

H. W. Biggar, previously acting secretary at Windsor, Ont., has been appointed secretary of that organization.

Abbott Named in Chattanooga

John H. Abbott has been appointed general agent of the John Hancock Mutual in Chattanooga, Tenn., with offices at 208 Chattanooga Bank building. He has been in life insurance 20 years and was secretary of the Chattanooga Association of Life Underwriters 4½ years.

Made Newark Group Manager

Charles H. Brown, who has been at the home office of the Connecticut General Life in Hartford, has been named manager of the group department at the

Named Baltimore Supervisor by Continental American



A. P. ARNETT

A. P. Arnett has been made supervisor in the Baltimore branch office of the Continental American Life. He has been associated with the Middletown, O., agency of a large eastern company. Mr. Arnett is a native of Kentucky. The Continental American's Baltimore office is under the management of L. R. Dukes.

Newark branch, of which F. M. Minninger is manager.

Colbert in Syracuse Post

F. L. Colbert has been appointed general agent at Syracuse, N. Y., for Manhattan Life. He was formerly connected with Fidelity Mutual in Albany.

AGENCY NOTES

John M. Lansinger, former publisher of "College Humor," has joined the E. W. Hughes agency of the Massachusetts Mutual in Chicago as a field associate. Mr. Lansinger headed the magazine dur-

ing its peak years and was publisher for 10 years. During the past three years Mr. Lansinger has been in moving picture publishing work.

Charles S. Geary, Chicago general agent for the Mutual Trust Life, now has his office at 7822 Merrill avenue, Chicago.

Frank Bennett, a member of the home office organization of the Business Men's Assurance for the past eight years, has resigned to become a member of the Kansas City sales force.

G. F. Gibney has been appointed supervisor in the L. W. Rhodes agency of the Interstate Life & Accident in Chattanooga.

H. J. Jennings has been appointed district manager at Fort Wayne, Ind., for the Lafayette Life.



AN AGENT FOR BANKERS LIFE OF NEBRASKA REGARDS HIS CONTRACT AS "A DEED TO A SUCCESSFUL BUSINESS," BECAUSE FOR MORE THAN HALF A CENTURY IT HAS BEEN THE POLICY OF THIS COMPANY TO CONSIDER THE AGENT'S VIEWPOINT AN IMPORTANT FACTOR IN BUILDING SOLIDLY FOR THE FUTURE.

THIS POLICY HAS SHOWN ITS RESULTS BOTH TO THE AGENT AND TO THE COMPANY. THE COMPANY—SOUND, SECURE, STABLE. THE AGENT—HAPPY, PROSPEROUS, RELIABLE. GAINS IN PAID BUSINESS ARE COMMON TO HIM.

Bankers Life
INSURANCE COMPANY of Nebraska
Home Office, Lincoln

HOW'S BUSINESS?

Asked how he found business, a veteran agent of this company replied, "Oh, about as usual, but I still have to go after it. It has never come to me. People with money need life insurance and are still buying it, so I try to go where the money is."

A simple formula which might help many who find the going hard.

LIFE INSURANCE COMPANY OF VIRGINIA
RICHMOND
Established 1871

VIEWED FROM NEW YORK

By R. B. MITCHELL

M. M. Goldstein Is Appointed

Succeeds Willard Regan as General Agent of Connecticut Mutual Life in New York City

The Connecticut Mutual Life has announced the appointment of M. M. Goldstein, as general agent in New York City, effective June 16. He will succeed



M. M. GOLDSTEIN

Willard Regan, who will continue as associate general agent.

Mr. Goldstein has been in life insurance since 1931 and has made a remarkable record both from a personal production standpoint and in organization work. His personal production record has shown an increase every year since he went in the business and, in 1937, he became a member of the Million Dollar Round Table.

With Northwestern Mutual

In 1934, he was appointed manager of the Times Square branch of the McMillen agency of the Northwestern Mutual Life in New York City. Starting with a nucleus of ten men, all practically new in the business and whose production averaged about \$50,000 a year per man, Mr. Goldstein had increased the production to an average of \$400,000 per year per man in 1936.

In 1936 he organized the Estate Analysis Co., an organization that is devoted to the rendering of a coordinated estate analysis service, with emphasis on minimizing estate and income taxes through the coordination of a client's life insurance estate, general estate, will trusts and business interests.

Mr. Goldstein graduated in 1920 from the Wharton School of Finance & Commerce, University of Pennsylvania. After graduation, he served as a salesman and later as vice-president and sales manager of a real estate firm in Buffalo. While in Buffalo, he prepared and taught the first course in marketing, distribution and salesmanship in the School of Business Administration in the University of Buffalo. He later prepared for the University its first course in real estate.

In 1926, he moved to New York City where he started the Municipal Realty Corporation. He continued in the real estate business until 1931, when he became interested in life insurance.

Mr. Goldstein is president of the Buffalo Club in New York City.

J. T. Haviland Resigns Post

Resignation of J. T. Haviland as associate manager of the New York (Doremus-Haviland) agency is announced by the Guardian Life. He has been associated with F. S. Doremus in managing

the agency for four years. Mr. Haviland resigned to enter personal production on a full time basis.

Joins Cone Advertising Firm

C. B. Petrie, formerly vice-president in charge of advertising of the "Weekly Underwriter," has been appointed a vice-president of the Andrew Cone Advertising Agency of New York City. With the exception of one year during which he was art director of the magazine "Mademoiselle," Mr. Petrie had been associated with the "Weekly Underwriter" since 1931, when he returned to America after several years of study and free lance work abroad.

The Andrew Cone Agency has a special insurance department and represents a number of the leading insurance companies.

Ellis Derby Resigns

At a meeting of the executive committee of the New York City Life Underwriters Association E. M. Derby, executive manager for the past six years, submitted his resignation. He stated that the resignation was caused by the opportunity to become general manager of a large civic organization in New York City.

A graduate of the Polytechnic Institute of Brooklyn, Mr. Derby spent several years in engineering work and in teaching, later being employed by the New York Central Railroad, leaving to join the association in March, 1932.

Fischer at Jersey City

As speaker at the meeting of the Jersey City Kiwanis Club, C. O. Fischer, vice-president of the Massachusetts Mutual, emphasized the natural interest which business and professional men have in life insurance in its modern application to the problems of the public.

"When we realize," said Mr. Fischer, "that there is now in force 110 billions of life insurance, owned by 64 million thrifty Americans, we are warranted in saying that life insurance is your institution, something that you, the citizens of this country, have developed and won."

Avoiding any possibility that his audi-

Presides at Dinner



MISS MILDRED F. STONE

Miss Mildred F. Stone, agency field secretary for Mutual Benefit Life, presided at a dinner meeting of the life insurance women of New York Tuesday evening of this week. Miss Stone is a leader in the Mutual Benefit C. L. U. unit and for a number of years has taken an active and prominent part in the affairs of life insurance women.

ence might gain the erroneous impression that the American people are over insured, Mr. Fischer said, "I believe you will agree that we can dismiss any such thought, when we realize that the average coverage per individual is slightly over \$1,700. And, also, while life values are assuredly of much more importance than property values, human ingenuity and activity having created all property values, nevertheless, we find in this country property insurance totalling four times the volume of life insurance."

As a warning against unnecessary delay in buying life insurance, the speaker said, "While death is certain, nothing is more uncertain than the time of death. It is impossible to foretell the future lifetime of an individual. There is found in the minds of men and women a strong desire for some form of protection against loss arising from untimely death, and that desire and necessity arises not only in the all important sphere of the family circle, but also in many phases of general business activity."

"That desire for protection against these uncertainties has carried with it a knowledge and conviction that such an end can be achieved only through a cooperative effort spreading over a large number of persons, a risk which might prove disastrous, if sustained by the individual."

Dispelling the old and popular fallacy that you must "die to win," Mr. Fischer stated that 60 percent of the life insurance dollars disbursed in 1937 was paid to living policyholders.

Ott Leads Equitable in N. Y.

The A. V. Ott agency of the Equitable Society moved in April to the leading position among the company's Greater New York agencies for the year to date. The Riehle agency held the lead for the first three months. The Ott agency was eight years old in April and during that month more than 90 percent of the agency force contributed to the volume of written business and slightly less than that percentage earned commissions on paid volume. The latter fact is cited by Mr. Ott as an example of progress made by his agents in the direction of a substantial livelihood for every man under contract. Emphasis is laid on sound programming as leading to better prospecting and continuous repeat business.

Fraser Agency Figures

The Fraser agency of the Connecticut Mutual Life in New York City paid for \$785,601 in April as against \$1,177,105 for April, 1937. April is the first month this year that the agency has not shown an increase.

Opportunities for Women

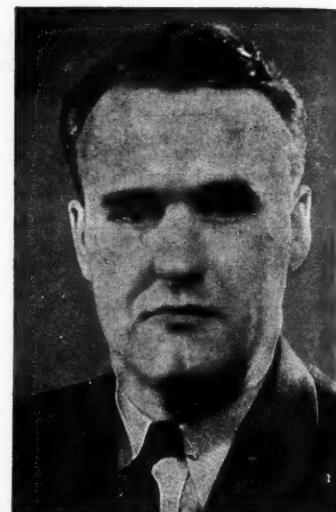
The leading women agents of New York City met with other professional women leaders at a dinner Tuesday. L. H. Pink, superintendent of insurance, Dr. Ruth Alexander and James Elton Bragg of New York University, were the principal speakers.

Helen Rockwell, chairman Women's Quarter Million Dollar Round Table of the National Association of Life Underwriters reported on the 14 leaders in Greater New York who paid for \$5,275,000 in 1927.

Mrs. Dorothy Briggs, Equitable Society, was chairman of the dinner committee. Other members: Gertrude Brandwein, New York Life, Kathryn Ford, Mutual Life, Lillian Joseph, Home Life, Leonore Olsen, Penn Mutual, and Vera Sundelson, Equitable Society.

Home offices delegated the following women as representatives to attend: Marie Faulkes, Provident Mutual; Winifred McLaughlin, Equitable; Lelia Thompson, Connecticut Mutual; Mrs. Johnson, Connecticut General; Corrinne Loomis, John Hancock; Bertha Loheed, Fidelity Mutual; Mrs. Margaret Lodewick, Continental American; Esther Meller, Security Mutual; Edna Perlman, Berkshire Life; Clara Porter, New England Mutual, Florence Reynolds, Connecticut Mutual.

Joins Canada Life in New York as Supervisor



EDWIN J. PHELPS

Edwin J. Phelps has joined the New York city branch of Canada Life as branch supervisor.

In 1931, on graduation from Lafayette College, he entered the business through the Keane-Patterson agency of Massachusetts Mutual. In 1934, he became connected with the Leonard agency of National Life of Vermont in New York, and played a prominent part in its organization and development. Within a short time he was appointed assistant manager.

In his new position, Mr. Phelps will assist Channing Davis, branch manager.

Negro Insurance Association Is to Meet in Cleveland

The National Negro Insurance Association will hold its annual meeting in Cleveland, June 15-17, the Supreme Liberty and Dunbar Mutual Insurance Society being hosts. Headquarters will be at the Phyllis Wheatley Association, 4450 Cedar avenue, the registration office being in the branch office of the Supreme Liberty at 7818 Cedar avenue, and secretary and stenographic service being available at the Dunbar Mutual home office.

President G. D. Rogers will preside, his annual address being scheduled for the first afternoon session. Insurance Superintendent Bowen of Ohio will speak that evening at a public meeting in the Antioch Baptist Church, as will Mayor Burton of Cleveland.

The medical section will meet the second afternoon, Dr. R. L. Brown, national medical director, presiding and giving a report on the 1938 national Negro health week. Dr. Brown, health education specialist of the United States Public Health Service, will give a paper on the program on Negro health week.

An agency institute will be held the last morning with H. W. Russell, assistant agency director Atlanta Life, presiding. Election of officers will be held the last day.

"Best's Illustrations" Out

The Alfred M. Best Company of New York has issued a 1938 edition of "Best's Illustrations." It contains net costs, cash values, premium rates, policy conditions and other valuable data on about 200 life companies. It has much annuity data, recapitulations of total cost and averages at all ages, list of policies issued with rates at age 35, paid up and maturity results, accumulations and additions shown at all ages. There is considerable financial and industrial data, reserve and other tables. It costs \$3 a copy.

How Bay State Savings Bank Insurance Plan Functions

(CONTINUED FROM PAGE 3)

insurance and 97 savings banks, four cooperative banks and 23 trust companies and national banks acting as agencies of the 24 issuing banks. Agency banks are allowed a collection fee of 3 percent on life premiums. Any acceptable prospect is, therefore, able to secure \$24,000 by applying for \$1,000 at each of the issuing banks.

Under the statute the banks are forbidden to employ solicitors. The 1907 statute, however, authorized the division to prepare all forms thought necessary "in the efficient prosecution of the business." Under that provision rate and dividend sheets and informative literature have been put out by the department. In 1915 Governor Walsh stated "A government does not do its full duty by merely enacting beneficial law. It must see a knowledge of those laws is brought home to the people." He recommended an appropriation of \$2,500 for advertising, which was renewed the next year and was later increased to \$5,000. This was used for circulars, newspaper advertising and more recently radio talks.

Employer Agencies Aid

There are 300 employer agencies, including many leading industrial concerns, which aid in increasing the number of insured by personal interest in their employees.

From the beginning there have been two field instructors, under civil service appointment, who go about lecturing in factories and before other groups, advocating savings bank insurance. Earlier much of the business came from this activity, but in proportion it has assumed less importance. At present the deputy insurance commissioner and his assistants make many addresses in behalf of the system before schools, labor organizations, colleges and in factories, etc. The deputy and one assistant have made over 800 addresses in the past two years. A survey made of several of the issuing banks showed that 30 percent of the applicants were recommended to do so by other policyholders.

In 1907 an appropriation of \$10,000 was made by the state to set up the department and pay running expenses. This was gradually increased to \$30,000 in 1929. In 1929 a law was enacted at the instance of the division under which at the close of each fiscal year the division collects from the issuing banks in proportion to their premium income a certain amount. The amount returned in 1929 was 40 percent and this was increased by 15 percent each year until 1934 when the amount collected was exactly equal to the state appropriation and that amount has since been returned each year. This includes the salary of the deputy commissioner, medical examiner, actuary, and all the personnel and office expenses of the department.

The system is taxed on the same basis as the savings bank, which is on a different basis than for other life companies. In the year just closed this meant a difference of \$9,000 in favor of savings bank insurance. The savings bank system is limited in its investments by the restrictions placed on the banking departments.

At age 30, straight life, the loading is 83 cents on net premium of \$18.28, making the annual premium \$19.11. Cash surrender values are full level reserve with no surrender charge after six months. Surrender values are available anytime after the policy is issued if the reserve is more than \$2, there being a surrender charge of \$2 during the first six months. The loan value is full legal reserve after one year's premiums have been paid, interest at 5 percent being payable in advance.

The system has \$146,663,533 insurance in force on March 31, 1938, and total assets on Oct. 31, 1937 of \$26,123,367. Policyholders number 163,435. The surplus represents 8.85 percent of the reserves for the last fiscal year.

Ham Gives Reply to Pink on Examinations

(CONTINUED FROM PAGE 3)

western conference, but is the feeling of nearly every one of the states.

"The articles carried in the various insurance publications, which originated from your office, conveyed the idea that the western conference insists upon representation in examinations of your companies. If you will review my letters to you, you will find that this participation is only insisted upon where you fail to call examinations as outlined in the resolutions adopted at St. Paul and Hot Springs.

"It is hoped that we will have a representative attendance at Quebec, at which time this examination question can be very seriously reviewed. It is my sincere hope that out of all this some good will come."

BONEY GIVES VIEWS

Commissioner Boney of North Carolina in addressing the meeting of the American Association of Insurance General Agents in Asheville, N. C., commented upon the current controversy between the western group of commissioners and the New York department.

Mr. Boney said that there is some justice in the arguments of both sides. The New York department, he said, should recognize that the laws of all states provide that their departments may exercise the right to examine companies licensed in their state but domiciled in a foreign state. There is no reason, he declared, why New York should set itself up to undertake the examination of such companies without the foreign state having a right to participate, provided the foreign state furnishes competent and experienced examiners. If the New York law prohibits the departments of other states from participating or from occasionally looking into the financial affairs of New York companies, those laws should be amended, he declared.

Unwarranted Expense

New York companies in entering foreign states, must expect to conform to the laws of those states and to reasonable requirements.

On the other hand, he said, there is much to be said in behalf of the position of the New York department that under present conditions to permit other states to participate in the examination of New York companies creates an unwarranted expense. This criticism can be nullified, he said, by the other departments establishing corps of experienced and capable examiners on a full-time salary basis with the companies assessed the necessary per diem to defray the actual salaries. A number of southern and western states particularly have few or no domestic companies and do not maintain any examiners on a full-time basis.

They delegate the work to independent actuaries or C.P.A. or appoint some political friend.

These functionaries go into the foreign states and charge \$25 per day, plus expenses of \$8 or \$10. They are merely an extra expense to the company. The state should not delegate this work to independent operators, he said. Such firms usually send a \$200 a month clerk

to do the work and charge the companies \$25 a day, plus expenses. Such independents seek to prolong the examination.

If states are unwilling to establish their own examining departments they should waive their right to enter foreign states and examine companies. Mr. Boney said he prefers to have foreign states participate with him in examining North Carolina companies but he feels that he is entitled to have competent men come into the state for that purpose.

By having foreign states participate, he said, political influence that might color the work of the home state department is removed.

Mr. Boney said he is not enthusiastically in favor of the zone system because it deprives the home state department of certain rights that should be retained by it. All states, however, he said, should and can conveniently adhere to the original convention form of examination.

SIDES WITH PINK

SALT LAKE CITY—Commissioner Neslen is not in accord with the demand of the western commissioners that supervising officials or other states be privileged to participate in examinations of New York companies and has so expressed himself in a letter to Superintendent Pink.

COMPANIES ANXIOUS

The demand made by the western commissioners that the New York department follow the zone examination system as decided on by the organization and the refusal of Mr. Pink to comply with the demand has created much anxiety in company ranks. They fear in this issue there may be greater and more expensive examinations. Superintendent Pink in his recent letter to Commissioner Ham clearly indicated that New York will resign from the commissioners' association rather than submit to the zone system which it declares cannot be legally applied to New York. Should New York take this drastic action it will mean more or less chaos in the commissioners' organization which for many years past has functioned thoroughly satisfactorily and has brought about much uniformity as well as eliminating some grave abuses.

The far western commissioners have taken the position that under their laws they are responsible for the companies licensed in their commonwealths. They have taken the report of New York companies as voiced for by the New York department but they contend that this does not meet with the requirements of their statutes. Therefore, the zone system was supported in order to give all hands greater representation in examinations where a company operates in three or more states. It is acknowledged that the system is not altogether satisfactory although most commissioners claim that it is working as smoothly as could be expected. More refinements

will be made, they say, as time goes on. Superintendent Pink contends that under the statutes of New York he cannot allow a convention examination system as the laws require that examiners be under civil service. He acknowledges that any state has the authority to make an independent examination of a New York company. He has stated to the commissioners that the full report of the examination will be given them before made public, they can have it analyzed and he will be ready to answer any questions or to clear up any doubt. He stated that he saw no reason why some of the states might not sit in as observers although he could not acknowledge them as official examiners. The compromise method suggested by Superintendent Pink evidently is not satisfactory to the western conference.

The whole issue will come up at the forthcoming annual meeting of the commissioners at Quebec and it promises to be one of the liveliest that has ever been heard. If the matter comes to the point that New York actually serves notice that it will withdraw and the western conference holds to its position there is much speculation as to what will be the result. That is, will states that are in accord with Mr. Pink's position retire from the association also? All the states except New York have complied with

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O. R. McAtee, Director of Agencies

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the zone system. They do realize, however, that Superintendent Pink is in a peculiar and unique position. Some of the more conservative commissioners are not willing to force the issue to the extent that it will impel New York to retire.

Some of the commissioners, while in sympathy with the principle evolved by the far west, see danger in extending the examination system and bringing forth men who are not competent to make insurance examinations. Furthermore some of the commissioners feel that the fees charged are entirely too high and that there should be a modification in that regard. The expense of examinations has increased and some companies are inclined to feel that it is an imposition to compel them to endure the high cost. The situation is a grave one and is being watched with the utmost concern.

Murphy Renamed N. Y. State Head at Utica Meeting

(CONTINUED FROM PAGE 3)

usual meetings and programs in New York city, Westchester county and Binghamton. The latter association increased its membership from 90 to 168.

Concluding words, following years of precedent were spoken by Mr. Myrick. He sounded a battle cry that this is a time for strong men who are willing to make a fight for the life insurance business as a whole and for individual sales.

Sales Congress Program

The sales congress program in Utica was well balanced.

National phases of the business were handled by W. Howard Cox, president Union Central Life. J. C. Behan, vice-president Massachusetts Mutual Life, reviewed the purpose and scope of the Annual Message of Life Insurance, and James Elton Bragg, general agent Guardian Life, New York City, outlined methods for showing the structure of life insurance as a means of combating false ideas about it. State problems were discussed by Julian S. Myrick, New York City general agent Mutual Life. He reviewed the history of the savings bank life insurance law. Dr. Hubert Greaves, professor of public speaking at Yale, William T. Worthington, superintendent of agencies, Home Life, New York, and Irvin Bendiner, New York Life, Philadelphia, set forth specific suggestions for aiding in the making of the sale.

Should Study Advertisements

Mr. Behan said the advertisements during the Annual Message emphasize the services of agents as well as the institution, urged agents to study the facts being presented and the method of their presentation.

Too many agents, said Mr. Worthington, are expecting an Act III reaction towards the sale play without having presented Acts I and II. When a man comes into the picture theater as the last five minutes of the hour's play runs across the screen, he may observe both the play and the audience in a detached way because there has been no buildup for him which would make him do what his neighbors are doing, leaning forward eagerly, laughing or crying with a great relief of tension, sighing and smiling as the satisfactory conclusion is reached. To get the response of the audience at the end of the play it is essential the playwright must have the opportunity to present the buildup, and for the agent to get complete purchase assent with an understanding of all it means, the agent must have an opportunity to present a buildup to the prospect.

All life insurance, he said, is planned by someone, a good agent, the buyer, or the beneficiary. Too often it is the beneficiary, because the purchases have been made without plan or logic, and the actual distribution is left in the hands of those who receive the money. The

object of presenting an estate analysis and an income plan, according to Mr. Worthington, is to give the prospect a new understanding, and a greater appreciation of what he already owns in his life insurance. A discussion of the life insurance he already owns, with a clear picture of what it will do for him, tends to remove what may be an antagonistic feeling toward life insurance, since no one has an antagonistic feeling toward what life insurance does. In this first interview, the agent may also seek to have the man tell just how he arrived at the amount of the life insurance he now owns.

After removing any feeling of antagonism toward life insurance itself, the agent starts to uncover the problems of the prospect with emphasis upon arousing in the prospect a desire to solve his problems. The skillful salesman leads the prospect to outline just what it is that he wants his estate to do. Sometimes it is necessary to go through a long process of having the owner of the estate look at it, as his executor might sometime look at it, with a decision as to just what is to be done.

Agent Must Satisfy Self

When the agent has reached a solution of the man's problems, before presentation, the agent must satisfy himself that he would be ready to follow through on the program if he were in the prospect's place. Unless the agent has reached that conviction, he usually will not be able to sell with enthusiasm and persuasion. Should the prospective buyer not accept the solution upon the first presentation, the agent should go over it again on the theory that the prospect did not understand it. No technical terms should be used, and the emphasis should be placed upon what life insurance means from the receiving end for himself and his family.

Only with life insurance can a man write his name three times and perform a financial miracle. An application, a medical examination, and a check, each bearing the man's signature, can build an estate at once. Men buy life insurance, concluded Mr. Worthington, because they have received from an agent a new conception of life insurance.

Owners of life insurance become confused by counsellors and analysts, said Mr. Bragg, because they have never taken the time to understand the structure of life insurance or given anyone qualified to explain that structure the opportunity to discuss it. Particularly to those who own a substantial volume, Mr. Bragg said it is worth while to explain just how life insurance is put together. He did not advocate substituting this at any time in making the sale for the description of the patterns of income available, but only as a means of preventing owners from losses due to a failure of understanding the makeup of what they had.

Advises Simple Explanation

Mr. Bragg advises the agent to explain briefly that insurance usually consists of two simple parts, an investment and an indemnity element. For the investment element there must be an accumulation, or a distribution, sometimes both. Indemnity may be purchased, as for any form of casualty insurance, to provide payment in the event of the death of the assured, the premium to paid for protection only. The second form of pure indemnity is the purchase of a pure annuity where payment is promised as long as the buyer lives. Both forms of indemnity purchase may be achieved only by a group. All members of the group must put in a share to pay the indemnity. In term insurance there is the liability to those who die, and for the annuity purchase there is a liability to those who live. An annuity is a guarantee against outliving one's income.

While the indemnity element in life insurance can be carried through only by the group, the investment element might be done separately for each individual. But since life insurance has proved itself to be the safest financial institution devised by man, the agent may say, "When

you bought indemnity, you were also given the privilege of using this most perfect investment plan yet devised by man. And by making use of the investment service of the life insurance company, it is possible to make the magic of compound interest work for you both in the accumulation of a reserve and in the distribution of the policy proceeds." Mr. Bragg advised using the familiar rectangle, with a diagonal line running from one corner to the other, the bottom segment representing the increasing reserves of an ordinary life policy, and the upper segment representing the decreasing amount of term insurance necessary to complete the total amount.

Confuse the Elements

Because people confuse investment and indemnity in the insurance structure, thinking of indemnity only, they have not grasped that the purchaser of the ordinary life policy is paying for a diminishing amount of indemnity as the investment account grows larger. Should a man take down his cash values and buy renewable term for the difference between the face of the policy and the cash value, he has changed the structure of his purchase to one of pure indemnity. If a man knew he was going to die within a limited period, rather than take down the cash value he might better stop paying premiums, leave the cash with the company, and take the extended insurance option. A knowledge of the time of death would completely solve the problems for a man as to how much indemnity he should buy and how much investment. And if he knew when he was going to die, he should postpone his purchase of any indemnity until just before he becomes uninsurable. And if he knew he was going to live to a ripe old age, keeping his health in the meantime, he should buy an investment plan, with very little indemnity. Life insurance has erected a cooperative structure balancing the uncertainty of early death with the uncertainty of long life into a practical financial plan benefiting both the living and the survivors whether death is early or late. Moreover, any man who is thinking of taking down his cash values may always be asked what he is going to do with it when he has it, particularly at present.

Mr. Bragg described the retirement contract with insurance as an example including all the four various structural forms in insurance itself. First, there is accumulation of enough money at 65 to provide an income of \$100 a month for ten years certain and for life. This requires an investment fund of \$13,950. Then there is indemnity of \$10,000 to be paid if death occurs any time up to age 65. Therefore, in the contract there is an indemnity account for a diminishing amount of pure term insurance. Beginning at age 65 the life insurance in its distribution service becomes a pure investment account, and includes also an amount of \$3,586 as a pure deferred annuity which again is an indemnity provision in the contract, to be paid only if the assured survives beyond the ten-year certain period.

NOTES FROM UTICA

Edwin A. Murphy, president of the state association, presided at all meetings of the association and the sales congress. He is district manager of John Hancock in Rochester, and is a veteran in service with the Rochester and New York state associations.

Upper New York state agents of Security Mutual had a half-day session with **President F. D. Russell**. Mr. Russell was named at the state association delegates' meeting as one of the able speakers before local associations.

Howard L. Wiley, president Utica association, opened the congress. Stanley Hawkins, Rochester, was the active song leader.

Company luncheons were held at the noon hour by Union Central, Connecticut General, Home Life, Aetna Life, Massachusetts Mutual, Metropolitan, Pruden-

Reaches 500,000



The Northwestern National Life of Minneapolis issued its half millionth policy—No. 500,000—May 5. It is on the life of Bernie Bierman, head football coach at the University of Minnesota and tutor of Minnesota's famous Golden Gophers, who had applied a few days earlier for a pension bond at age 65.

Mr. Bierman is shown at his desk in the picture looking over the policy, while R. D. Davis of the White & Odell agency, Minneapolis, who handled the case, looks on.

tial, New York Life, Northwestern Mutual, and Provident Mutual. President W. H. Cox was present for the Union Central; Vice-President F. H. Haviland for Connecticut General; Superintendent of Agents W. P. Worthington for Home Life; R. W. McCreary for Aetna Life; Vice-president J. C. Behan for Massachusetts Mutual.

* * *

The advertising posters for the sales congress were splendid. Mileage, free parking, Utica street layout, programs, and highlights were set forth attractively. Jerrold L. Wheaton, Penn Mutual Life, Utica, was chairman committee on publicity.

* * *

Everywhere one heard words of praise for many of the Albany agents who were active while the savings bank life insurance bill was pending. Special mention was made of Spencer McCarty, chairman legislative committee, E. R. Gettins, general agent Northwestern Mutual Life, Ernest H. Perkins, general agent Provident Mutual.

* * *

Frank H. Wenner, general chairman of the sales congress committee, is general agent of Connecticut Mutual in Utica.

U. S. Chamber Resolutions

The insurance committee of the United States Chamber of Commerce at its annual meeting in Washington adopted a resolution opposing the special deposit requirements imposed upon insurance companies in a number of states. The resolution pointed out that insurers now deposit funds with the states of their domicile in amounts that are equal to the maximum deposit requirement of any state in which they operate.

The committee also adopted a resolution condemning the diversion of such a large proportion of revenue derived from insurance taxation to general operating purposes. The chamber found that in 1936 the states collected \$98,000,000 in special insurance taxes but employed for less than \$5,000,000 of the amount for state supervisory purposes.

Maine Department Has Deputy

For the first time in 15 years the Maine department has a deputy. He is Harold E. Rogers, who has been connected with the department for about a year as an examiner. As deputy he gets \$3,000 a year. He is a native of Weston, Mass.

LEGAL RESERVE FRATERNALS

Record in Illinois Is Given

State Insurance Department Shows the Operations of Fraternals During the Last Year—Leaders Are Named

The Illinois department preliminary report on the operation of fraternals in the state last year shows that the new insurance of Illinois fraternals in the state last year amounted to \$34,068,837. They have in force \$439,593,509 in Illinois. They received from members \$11,804,038 and paid in benefits \$8,298,574. Illinois societies that wrote \$1,000,000 or over in the state were the Catholic Order of Foresters, \$1,978,949; Fidelity Life of Fulton, Ill., \$2,948,278; Modern Woodmen, \$9,368,377; North American Union Life, \$1,698,493; Polish National Alliance, \$5,115,107; Polish Roman Catholic Union, \$2,232,789; Royal Neighbors, \$1,845,760.

Fraternals in Other States

The fraternals of other states wrote new business \$23,717,194 in Illinois. The large writers are the Woodmen of the World with \$2,036,510 new business; Aid Association for Lutherans, \$2,073,051; Ben Hur Life, \$1,319,150; Independent Workers Order, \$2,203,445; Knights of Columbus, \$1,671,000; Order of United Commercial Travelers of America, \$1,855,000.

Wells Addresses Camp

OMAHA.—Sixty-five candidates were initiated into Seymour camp, Woodmen of the World, at a meeting here at which R. T. Wells, general attorney, was principal speaker. Judge W. C. Braden was consul-commander for the mass initiation.

Fraternals in Safety Drive

Nation-wide Effort Is to Be Made June 5 Under Auspices of National Fraternal Congress

Fraternalists country-wide are completing plans for a safety day campaign June 5 under the auspices of the National Fraternal Congress. This is in line with a resolution adopted at the annual meeting of the N. F. C. in Columbus, O., last August.

James G. Daly, editor of "Sample Case," publication of the Order of United Commercial Travelers, Columbus, O., and president of the Ohio Fraternal Congress, is chairman of a special N. F. C. committee in charge of the activity. The other members are Mrs. Vivian Watkins, Royal League, Chicago; Mrs. Elizabeth Mehan, Women's Catholic Order of Foresters, Milwaukee; J. L. Wilmeth, Junior Order United American Workmen, and Dio W. Dumpham, Equitable Reserve, Neenah, Wis.

A bulletin sent out to members throughout the country by F. F. Farrell, secretary-manager N. F. C., emphasizes that the national accident bill last year was \$3,700,000,000, that accidents took 106,000 lives and permanently disabled about 375,000 persons, besides temporarily injuring 1,250,000.

Safety Is Moral Problem

"Safety is essentially a moral problem," he stated. "We will never have adequate protection for human lives until the public conscience is awake to the problem. Safety must become a primary part of the education of every child. Cooperation is needed to bring about the observance of safety principles. Such restraints should be placed upon every-

one as will limit the number of accidents. Each of us can take some part in the organization of our community and state for safety."

Dedicate New Home Office

Polish National Alliance Has Impressive Ceremony at Which Many Notables Attend

The Polish National Alliance has moved into its own home office building at 1514-20 West Division street, Chicago. An impressive ceremony was held, attended by many prominent city, county and state officials. A banquet followed in the evening at the Palmer House. Those speaking during the day included J. Rornaszkiewicz, president Polish National Alliance; States Attorney Thomas J. Courtney, Roy L. Davis, assistant director of insurance, and County Judge Edmund K. Jarecki. Other notables in attendance were: Otto Kerner, attorney general; Benjamin Adamowski, state representative and chairman of the insurance committee; Chief Justice Paul Farthing and Adam Block, clerk of the Illinois supreme court. Governor Henry Horner and Mayor Edward J. Kelly were unable to attend although taking part in the 147th anniversary celebration of the founding of a republican constitution in Poland, held the day following. Many Polish National Alliance officials took part in this celebration which was also climaxed by a banquet with more than 800 attending.

The new home office is an impressive structure, with comfortable accommodations provided throughout all departments and air conditioned. Generous quarters have been given over to a library, reading rooms and museum.

At a meeting of the supervisory council it was decided to go on a 3 percent reserve basis with \$500 as the minimum amount in which a contract will be issued. Heretofore, the Polish National Alliance has been on a 4 percent reserve basis with a \$250 minimum.

Report on Slovene Progressive

The Illinois department has issued a report as of June 30 on the Slovene Progressive Benefit, 247 West 103rd street, Chicago, a fraternal. It shows assets \$692,492, policy reserve \$485,683, contingency reserve \$8,007 net surplus \$170,906, ratio of solvency 121.2 percent. The bond investments represent 87.7 percent of the assets. Its income for the first six months was \$106,388, disbursements \$74,199. It had on June 30, \$4,905,092 insurance in force.

Bradshaws on Coast Trip

OMAHA.—De E. Bradshaw, president Woodmen of the World, has gone on a business trip to Los Angeles, accompanied by Mrs. Bradshaw. They will also visit their daughter and son-in-law, Mr. and Mrs. Mason Zerbe.

Cannon Going to Budapest

T. H. Cannon, head of the Catholic Order of Foresters, Chicago, left this week to attend the Eucharistic congress at Budapest. Mr. Cannon is a prominent Catholic layman. He will visit Ireland and other points.

Mrs. Talley Going to Toronto

Mrs. Dora Alexander Talley, president National Fraternal Congress, and head of the Woodmen Circle, Omaha, is expected in Chicago this week en route to the Canadian Fraternal Association meeting at Toronto, May 16-17. She will appear on the program there. Mrs. Talley will confer in Chicago with F. F. Farrell, manager-secretary N. F. C., on the program for that organization's annual meeting to be held at Toronto Aug. 22-25.

Jesse T. Owens, Mutual Life of New York, was key speaker at a meeting of the junior division of the Oklahoma City chamber of commerce on "True Americanism as Exemplified by Life Insurance."



Five Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income

These contracts are participating, and provide all standard non-forfeiture options.



Operating for almost fifty years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

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PETER F. GILROY, President
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What Is Legal Reserve Fraternal Life Insurance?

(This is the third of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

3. Legal reserve fraternal societies use the open contract which proved to be the most satisfactory for policyholders or members during the stress of depression years when all claims based upon the so-called open contract were paid in full.

Like the record made by the legal reserve fraternals as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

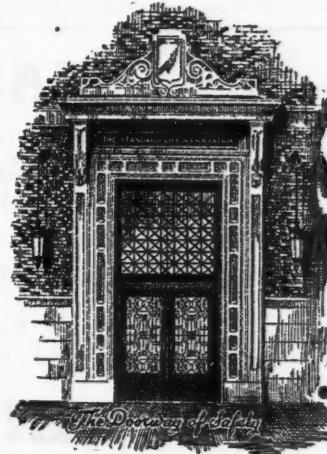
BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,
President

Edwin M. Mason,
Secretary



Stability — Safety Performance

ASSETS
\$13,750,000.00
CLAIMS PAID
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The Standard Life Association

Lawrence, Kansas

GEO. R. ALLEN
President
JOHN V. SEES
Secretary
MARTIN MILLER
Treasurer

Picking of Life Risks Discussed

(CONTINUED FROM PAGE 8)

tual understanding. He mentioned also the more comprehensive correspondence engaged in today between home office underwriters and field men, with discussions of individual underwriting topics, such as aviation and occupations.

Other Topics Discussed

Four other topics were opened to general discussion. L. Rhymer, Travelers and Russell F. Becker, Aetna Life, spoke on the insurability of persons who had served jail sentences for minor offenses and business men, racketeers, or illegal operators who are now reported to be operating within the law. Carl H. Anderson, Connecticut Mutual, and Henry J. MacKenzie, Aetna Life, opened the discussion of the aviation hazard on applicants who do pleasure flying.

D. Douglas Phillips, Massachusetts Mutual, and Charles H. Norris, Aetna

Life, led the discussion on the question, "In view of condition abroad, should any change be made in underwriting practice for applicants that contemplate foreign residence or travel?" It was generally agreed that travel or residence in Spain or the war zone of China were undesirable.

Attitude Toward Refugees

T. F. Siegel, Travelers, and William H. Allen, Aetna Life, discussed the consideration of recent immigrants, particularly European semitic refugees. Companies represented wait a period of from six months to a year after entry into this country before issuing policies to these immigrants, with some exceptions in the case of professional men and artists.

Earle R. Carter, Aetna Life, was chairman, and Morris F. Leamy, Travelers, vice-chairman.

Bernard M. Smith has been named district agent in Grand Rapids, Mich., for the John Hancock Mutual Life. His territory includes part of northern Michigan.



The famous Grinnell Expedition departs in search of Sir John Franklin — intrepid explorer lured to the Arctic by a search for the legendary Northwest Passage to the riches of the Orient. And the United States Life is three months old.

On May 22, 1850...

Not in the fabulous wealth of distant lands but in the rich prospect field of Americans and foreigners, here and abroad, lies the interest of underwriters today. Thousands annually go to travel or live abroad, and are, on the average, financially able to satisfy a need for adequate protection. Through the world-wide, continuing life insurance service of the United States Life this fertile field is thrown open to agents and brokers. A complete line of sound, guaranteed cost policies and a steadily growing domestic and foreign business offer a profitable future for agents.

Ask for booklet "New Horizons."

THE UNITED STATES LIFE INSURANCE COMPANY
IN THE CITY OF NEW YORK
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NEWS ABOUT LIFE POLICIES

BY J. H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Atlantic Life Changes Underwriting Practices

Agency Secretary Robert G. Richards of Atlantic Life announces important changes concerning juvenile insurance, settlement options and sub-standard.

Under the juvenile contract now being issued provision has been made so that in the event of the death of the applicant prior to the insured attaining age 21, the control of the contract passes to the beneficiary. Usually, in event of the applicant's death during the insured's minority, control of the contract cannot be exercised by the beneficiary without guardianship proceedings. When application is made for juvenile insurance, the beneficiary should be a person other than the applicant himself or a contingent beneficiary should be named.

The optional methods of settlement clause has been revised to permit the "net proceeds" of the contract to be placed on plans A, B or C for the benefit of the insured at any time provided that the "net proceeds" amount to as much as \$1,000 and that each guaranteed interest or instalment payment be as much as \$10. Previously, it was necessary that the insured be 50 years old before he was accorded this privilege. Subject to these same restrictions, the insured may provide that at his death the "net proceeds" be paid to the beneficiary under plan A, B or C; and if the insured has not so provided, the beneficiary before any payment has been made under the contract, may elect an optional method of settlement for herself.

The company will permit the "net proceeds" of more than one contract to be added together, if such is necessary to make same amount to as much as \$1,000 and therefore admit of settlement on one of the options.

Hereafter all sub-standard with multiple table rating will be issued on the non-participating basis only. The automatic provision in event of a default under a sub-standard contract will be "paid-up insurance"; however, contracts with a rating of table C or less will provide for optional extended term insurance. In standard contracts extended term insurance will remain the automatic option.

American Home Change

American Home of Topeka has canceled military and naval restrictions and no policy issued after May 10 will contain such clauses. Non-medical limits were increased from \$2,000 to \$2,500 for men and women between ages 10 to 45 on all but term plan. The juvenile non-medical limit was fixed at \$1,000.

Dominion Life Lowers Rate

The Dominion Life, Waterloo, Ont., put into effect a lower schedule of participating premiums on April 1, the reduction amounting to \$3.20 per \$1,000 in some instances.

Puritan's Rates Increased

The Puritan Life of Providence, R. I., is increasing its rates.

Rockford Life Has New Form

Rockford Life of Rockford, Ill., announces a low cost whole life form with reduced premium during the first five years. The premiums during the first five years are slightly higher than the regular five-year term policy and the premium after the fifth year is some-

what below the regular whole life premium for the attained age.

At age 20, for \$5,000 of insurance, the premium for the first five years is \$44.78 and \$75.25 thereafter. At age 25 it is \$46.70 and \$85.60; age 30, \$49.45 and \$99.25; age 35, \$53.53 and \$118.20; age 40, \$60.09 and \$144.20; age 45, \$71.26 and \$181.15; age 50, \$92 and \$235.75. These rates include premium waiver disability benefit.

Northwestern National Life Finds Employment Outlook for June "Grads" Limited

MINNEAPOLIS—Jobs for this year's college graduates are from 10 to 60 percent fewer than last year, although starting salaries are almost as good as in 1937. The top-ranking third of the June seniors at most schools will have jobs waiting for them, but the remainder will find the pickings much poorer. Most schools estimate that from two-thirds to three-fourths of their graduates will have work by fall, but any improvement in general conditions would quickly absorb many entire classes, according to a survey of employment prospects by Northwestern National Life.

Most employment calls are for salesmen in the general business and insurance fields, and for accountants, according to the report. The oil and petroleum industries are the biggest bidders for engineering school graduates. Several schools report that governmental agencies, state and federal, offer the most active employment demand for their graduates now, with highway, relief and social service work mentioned most frequently.

Corporation scouts making their customary spring visits to university campuses are interviewing desirable men as usual, but many are deferring definite commitments.

Numerous graduates are planning to return for graduate work because of limited employment prospects. Since last September, many schools report, an increasing number of alumni have reported back for employment listing after having lost jobs held for several years.

The principal shrinkage in employment has been in the heavy industries and in finance and banking. The condition is uniform over the country.

The Equitable Society has named the City Bond & Mortgage Company, Kansas City, as loan correspondent.

25% GAIN
in new business
in first three months

1938

The MIDWEST Life
INSURANCE COMPANY
of LINCOLN, NEBRASKA

Sales Ideas and Suggestions

All-Star Congress at Utica Provides Valuable Sales Tips

UTICA, N. Y.—The entire program of the sales congress of the New York Association of Life Underwriters here was one of headliners. Among the speakers were W. Howard Cox, president Union Central, Cincinnati; J. S. Myrick, manager Mutual Life of New York, New York City, honorary president New York state association; Dr. Hubert Greaves of Yale; J. C. Behan, vice-president Massachusetts Mutual, general chairman Annual Message of Life Insurance; J. E. Bragg, general agent Guardian Life, New York; Irvin Bendiner, New York Life, Philadelphia, and W. P. Worthington, superintendent of agents Home Life of New York. H. L. Wiley, president Utica association, called the congress to order and E. A. Murphy of Rochester, state president, presided.

Public understanding and support of life insurance can be won by making known the true facts of the institution and its thrilling history, Mr. Cox declared. Public opinion is a force which no agent or group can afford to underestimate. The life insurance business has an important story to tell in order that public opinion may direct the destinies of the institution along the road that will be most beneficial to the public.

Great Force for Peace

"I wonder if the public realizes that life insurance is a tremendous force for peace and stability of government," he said. "The most powerful mandate ever uttered by the American people is in the 110 billions of life insurance in force. In this mandate the American people demand peace and security for themselves and their families.

"I have confidence in the judgment of the American people when that judgment is based on an analysis of facts. I have confidence in their ability to act when public opinion is violated. It is our job and our responsibility to see that they get the facts."

He emphasized that the power of public opinion can work for either good or evil, depending on whether or not the opinion is based on sound facts. "Therefore, it is the distinct duty of every honestly conceived enterprise to see that the public is supplied with the facts," he said. The facts can be supplied either in the form of propaganda, which consists of leading opinion in a particular direction by giving only limited facts and coloring the information furnished, or supplying the public all the facts and letting the people form their own opinion. He said the fault with the propaganda method is that, while it may be effective for a short time, it may cause the public to rise up in good faith and force action in the wrong direction. The people cannot be fooled all the time, and no enterprise is ever permanently successful if built on such a foundation, he said.

Every Citizen Interested

Mr. Cox emphasized that when life companies address their policyholders, they address the public, because the two are practically synonymous. With 64,000,000 life insurance policyholders in this country, he said, it is obvious there must be life policy in practically every family. He noted taxation, legislation, written articles and several publications serving to tear down life insurance. Distortions are sometimes believed, he said, to the discredit of America's greatest institutions.

Mr. Cox summarized the contribution of life insurance. Since 1930 it has paid

more than \$21,000,000,000 to policyholders and beneficiaries. He said it is impossible to conceive the condition of the country during the last few years if the financial strength of the life insurance institution had not been there to bolster the economic structure.

Protection of Business

Protecting business values through life insurance is one of the most modern and effective methods, Mr. Bendiner declared. One of the chief problems in business is to provide for disposition of the business interest in event of death. The only alternatives, Mr. Bendiner said, are to make provision to keep it for the benefit of the family, to give it away to valuable employees, or to sell it or have it disposed of through sale.

If a person elects to keep the interest, he must consider for whom he wishes to keep it, how to do so and what to do with it. Life insurance, Mr. Bendiner said, thoroughly answers the problem, for it provides emergency money to maintain the interest, and thus stabilizes the business. If the owner wishes to give the business away, with adequate life insurance in his estate, it might be possible for the wife and children to look to life insurance for their ultimate maintenance and to permit the business to be disposed of by will to the employees. The third alternative, to sell, is usually the only one practical to meet the situation.

Owner in Best Position

Mr. Bendiner said the business man is the best salesman of his interest during his lifetime. He asked if the period of man's lifetime is not the time during which the contract of purchase and sale should be arranged. Through life insurance he can arrange the terms of the sale, select the buyers, fix the price and arrange the manner in which the price is to be paid.

Mr. Bendiner gave a fine analysis of the problem confronting the average business man in this connection. Life insurance provides a self-completing sinking fund payable in cash when needed for such purpose, he said. Similarly, life insurance can be used to provide for retirement of bond issues, to amortize value of long term leases and franchises, and for many other specific purposes of value to business.

"The fundamental principle which must eventually be recognized by business men and life underwriters," Mr. Bendiner concluded, "is that the average individual, in an effort to make a livelihood in order that he better may meet his responsibilities in life, engages in business. As he progresses in business, the business consumes more and more of his time, skill, energy and money, and to an increasing extent represents the principal material assets in his estate at the time of his death.

May Call on Agents

"At such time, when the average business or professional man fully realizes and recognizes the extent to which premature economic death will destroy his accumulations, then and only then will he apply business principles to the solution of his problem, and that solution may require the services of life underwriters who are soundly and thoroughly trained to advise in the solution of the many intricate problems and details which exist."

Citing the 1937 record of insurance in force and new business, J. S. Myrick said in the light of these figures it would

appear life insurance has been related in popular thinking to the general problem of economic security and has been made an important phase of social welfare.

"Those of us, whether we be superintendents of insurance, trustees of companies, executive officers of companies, or life underwriters, have labored long and hard to produce this wonderful result not only for the protection of the citizens of this state but of the nation, and we have a right to regard it with some pride and to attempt to protect it from misunderstanding and misuse," he said. "The agency system as employed by the companies under the supervision of the state has been responsible for giving the state and the nation this economic security."

"It seems to some of us that by the state's bringing the savings banks into the life insurance business, they are enabling the banks to engage in a business which is outside their real function, even though it may be made a part of the insurance department. Most of us believe that the savings banks are constituted to do a particular work for their depositors which in no way relates or should relate to life insurance."

Original Functions Enlarged

"The savings banks and the life insurance companies are two great institutions which have stood well the economic stress of recent times. Both are engaged in highly important businesses. Both command respect from the people. Both have their own important part to play in the life of the state. For these reasons, it was felt that it was to the advantage of the state and its citizens that they should preserve their individuality and not assume one another's functions. These ideas, however, did not prevail and savings bank life insurance will shortly begin to operate in New York."

"I should like to restate and emphasize the fact that the agency forces of legal reserve life insurance companies have a great opportunity for serving the public through fitting insurance to the individual needs. It is this expert and valuable service which has made the life insurance business a great calling. It is this opportunity for service which drives us onward to greater achievement."

Care in Recodification

Mr. Myrick cautioned that recodification of New York insurance laws now under discussion should be done with greatest care and the laws which have worked well and are known and understood by the insurance fraternity and the public should be disturbed as little as possible, both as to character and phraseology so that "we will not have to go through new decisions by the courts or rulings by the department."

The state association's general committee is working on this problem, Mr. Myrick said. He also paid tribute to work of the general committee and its chairman, Spencer McCarty, for the work done in having removed many of the worst features from the Livingston-Piper savings bank life insurance bill as it was originally proposed.

Dissatisfaction and Success

"Dissatisfaction breeds success," Gifford T. Vermillion, Milwaukee manager Mutual Life of New York, told members of the Junior Association of Commerce in a radio broadcast. "If you don't believe that, look around and pick out the fellows who are satisfied, find out how much they are making and then compare it with the earnings of the restless fellows who are never satisfied with the results they get today or the records they made yesterday. When you begin getting dissatisfied with yourself, that's the time you can be sure that you are on the road to success."

SALES IDEAS OF THE WEEK

Home Life Lists a Dozen Aids to Conservation

The Home Life of New York, in its current issue of its magazine for agency cashiers, "Over the Counter," summarizes the following 12 arguments from which the most appropriate may be selected by cashiers in framing conservation letters. It is suggested that the letter may make mention of: (1) Loss of protection to the beneficiary; (2) higher cost of new insurance at the insured's present age; (3) financial loss in a policy surrender; (4) disability benefits not available to the same extent today; (5) a premium loan to handle the emergency; (6) change to a cheaper premium plan; (7) reduction of loan interest through repayment plan; (8) use of accumulated dividends; (9) paid-up insurance rather than cash surrender; (10) liberal settlement option provisions of the present policy; (11) change to endowment or personal income form where needs have changed; (12) the provisions of the policy in an effort to resell.

Factors in Successful Selling Are Presented

G. T. Hedges in "Printer's Ink" makes the assertion that in making a sale the product itself only enters into the process to the extent of 15 percent while other factors comprise the remaining 85 percent. The 85 percent factors, in his opinion, are the power to please, power to convince and the power to persuade. He gives them in the order of their relative importance. The final factor is the most troublesome one and is where so many sales fail, he said. This is due, in his opinion, because the salesman does not recognize the dividing line between the convincing and the persuading. He keeps on convincing until he over-sells and ruins the sale.

Some Questions to Ask a Prospect

Are you sure—

- (a) That none of your life insurance will go through probate court?
- (b) Whether your life insurance is so arranged as to be tax free?
- (c) That if you have term insurance you know when it must be converted to get the maximum benefits?
- (d) That you are deducting for federal income tax purposes the interest on any insurance loans?
- (e) That you can increase your life insurance proceeds from 10 percent to 20 percent by using the full services of life insurance companies?
- (f) How much income your present insurance will give you at age 60 or 65?
- (g) Who gets your insurance money if both you and your wife die in an automobile accident?—Oliver F. Roddy, Penn Mutual Charlotte, N. C.

Sell Protection, Says Phillips

Protection, rather than investment should be the point stressed in selling life insurance to the great majority of prospects said President T. A. Phillips, Minnesota Mutual Life, in a message to agents. "Too much emphasis has been placed on the investment advantages of life insurance, both by those who are buying and those who are selling. Comparatively few buyers of insurance are in a position to warrant placing more emphasis on investment than on the protection afforded."

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AGENCY MANAGEMENT

Gives Recruiting Suggestions

W. L. Baldwin of Colorado Life
Offers Pointers on Selecting New
Agents

DENVER.—W. L. Baldwin, vice-president in charge of agents Colorado Life, gave some good pointers in the matter of selecting new agents at a managers conference. After telling of the opportunities offered in selling insurance the prospective agent should be addressed something as follows:

"Now if you like us and we like you and we reach a point where we are going to make a deal, there are some things that are necessary. First, no matter how much merit a product may have, it still must be sold before any one makes any money, and to sell it we must have some people to whom we may sell it. So I want you to make a list of 50 people—people to whom you can introduce me favorably, and when you come in tomorrow or day after tomorrow (whenever you have your second appointment), and when you have made this list, I want you to estimate the age of the man, state his occupation, and make as good a guess as possible at his earnings. I will look over this list with you. The list will be your property. Whether we make a deal or not the list will be returned to you before you leave the office. We are not attempting to secure prospects for life insurance through your friends unless they become your prospects after you have become a part of this organization."

Drop Non-Producer

If the prospective agent returns for the next interview with a list of only 10 or 12 names, it is a good thing to forget him. "If he cannot make a tentative list of prospects, you are going to have a hard time getting him on a profitable basis soon. There may be several reasons why he cannot or will not do this; but the net result to you will be the same. He may not know people. He may be a self-conscious individual and afraid to take you to people. If he is a type of man who is afraid to take you to people, certainly he will be afraid to go to them without you.

"If he does complete this list for you, you will get a great deal of information. You will discover almost at once the class of people he knows, and this, indeed, is valuable information.

"I find that the best men I have brought into the life insurance business have been those that it took a year to secure," said Mr. Baldwin. "Now I do not mean that we should keep nagging at a man for a year, but when you know the man and know that you want him, there is certainly nothing wrong with dropping in on him occasionally, or having lunch with him now and then, or mailing him a copy of the house organ when there is something in it that seems interesting, or when your agency has been very favorably mentioned in the monthly bulletin, or even dropping him a little note occasionally." Another source of agency material was suggested by Mr. Baldwin. Managers should frequently discuss prospective agents with agents already in their organization. They will from time to time have men to recommend.

Sees Rosy Future Under
Regimentation of New Deal

N E W Y O R K.—Clinton Davidson, vice-president Fiduciary Counsel, Inc., addressed the Life Insurance Supervisors of Greater New York at a luncheon Tuesday. Mr. Davidson painted a rosy picture of the results to be enjoyed soon under the regimentation proclaimed by the New Deal. "We can expect over

the next few years that the men and the institutions who are equipped and have the ability to adjust themselves to the new order of things will be quite fortunate."

Turning to life insurance he said, "I suppose that you also want to know how to make more money." He gave instances where a Prudential man joined his organization who had never made more than \$3,500 per year. The first year he earned \$20,000 and later as high as \$50,000, but never as low as \$20,000. An Aetna man who had never earned more than \$5,000 per year within three years reached \$30,000 with Fiduciary Counsel.

Cashiers Unit in Jacksonville

Ted Reed, Penn Mutual Life, is president of the recently organized Life Agency Cashiers Association of Jacksonville, Fla. The members intend to begin study of the Life Office Management Association Institute course in the fall. Fred Hockaday, Retail Credit Company, addressed the last meeting. F. J. White, Sun Life, is vice-president, and C. E. Hunt, Union Central, secretary. The Jacksonville organization favors a national association composed of the various cashiers' units that have been formed throughout the country.

Binder Elected in Oregon

P O R T L A N D, O R E.—T. J. Binder, general agent Equitable of Iowa, is the new president of the Life Managers Association of Oregon. Kenneth Reed, Fidelity Mutual, is vice-president and E. K. Roth, Mutual Benefit Life, is secretary-treasurer. Richard L. Sherwood, R. A. Jennings and James Harding are directors.

MANAGEMENT
WHY AGENTS?

By A. R. JAQUA
Associate Editor, Diamond Life Bulletin

Much has been said and written about New York savings banks selling life insurance. The plan was and is being bitterly protested by many representatives of legal reserve companies who call it a threat to the agency system.

Let's look at the record. There are three well-known examples of attempts to sell life insurance without agents. They are the Massachusetts savings bank system, the Postal Life of New York and the Hercules Life of Chicago.

The Massachusetts savings bank insurance plan was started in 1907. There are now 24 Massachusetts savings banks with life insurance departments and 117 other banks that act as agents. At the end of 1937, there were 160,000 policies in force, totaling \$140,000,000. In 1936 there was \$17,000,000 paid for and in 1937, \$23,000,000 paid for.

While the banks wrote \$17,000,000 in 1936, the legal reserve life insurance companies wrote \$574,000,000 in Massachusetts, so that the banks accounted for about 3 percent of the business. The banks have about 2.5 percent of the state's insurance in force.

Now consider the situation. The bank plan after 30 years is doing 3 percent of the total business. There are single agencies in one city in the state which will do almost as much business as all the banks put together. Furthermore, the maximum amount in any one bank is \$1,000 and research departments of many companies have repeatedly said that a \$1,000 policy is never profitable to the company.

We have, then, a bank plan which with government subsidy and 141 banks acting as agents can do only 3 percent of the business, and that on policies so

small that many companies don't want them.

The Postal Life of New York does business by mail only. It began business in 1904 and in 1910 reinsured the Economic Life with about \$3,000,000 in force and in 1911 the Provident Savings Life with about \$56,500,000 in force. The company statement then showed insurance in force of \$62,500,000, which is almost precisely the amount of the reinsured companies. As of the end of 1936 it had \$47,000,000 in force.

In other words, it appears that the Postal Life reinsured \$62,000,000 and that amount has consistently decreased. The company has averaged about \$4,000,000 a year paid for, not enough to maintain the total in force.

Hercules Life Situation

The Hercules Life was incorporated in January, 1934, to reinsure the business of the National Life of the U. S. A. At the end of 1934 there was \$148,000,000 in force; at the end of 1935, \$139,000,000; at the end of 1936, \$133,000,000 and at the end of 1937, \$131,000,000.

Sears, Roebuck & Co., which owned the Hercules Life, in making announcement of the decision to dispose of the company, stated that life insurance can't be sold through a catalog.

Sears, Roebuck has a marvelous list of names of customers, and has prestige with those customers. The company has made millions selling goods all over the United States by trainloads of catalogs, but has come to the conclusion that life insurance cannot be successfully sold through the mails.

Again, consider it from this angle. If it is economically correct and for the best interests of a country that life insurance be sold by mail or through banks or other institutions instead of by agents, then eventually it will be sold that way. There isn't much use fighting an economic law. If there were any reason to believe that the bank system or U. S. mails, or any other system than agents would triumph, then the thing to do is to get on the band wagon. As the politicians say, "If you can't beat 'em, join 'em."

But the records indicate that you sell life insurance in quantities only through salesmen.

United States Leads World

Finally, consider the world situation. As nearly as can be ascertained, there is in force in the United States life insurance per capita of \$900; in Canada of \$650; in Great Britain of \$445; in Australia and New Zealand of \$241; in the Netherlands of \$196; Scandinavia of \$196; France of \$85; Japan of \$50.

The agency system in the United States and Canada is similar; they have a lot of agents working hard soliciting business. In Great Britain and Australia and New Zealand there are fewer agents and many of these tend to be order-takers rather than salesmen. In short, the life insurance per capita the world over varies precisely with the extent and activity of the agency force.

Agents Needed for Volume

Why, then, have agents? Why, for only one reason—to sell life insurance. It can't be sold by mail except in small quantities. It can't be sold through banks or other institutions except in small quantities. It can't even be sold by the government and kept in force (as witness what happened to war risk insurance) unless it is made compulsory (as under the social security act).

It certainly appears that if a nation is to have any reasonable amount of life insurance in force there must be salesmen to do the job. That's why America has agents. That's why America should have and in all probability will continue to have, a lot of agents.

Investigate Fund Outfit

C H E Y E N N E, W Y O.—Commissioner Ham of Wyoming is investigating the Financial Security Fund of Denver, whose agents were reported soliciting residents of Riverton, Wyo., to cash in all insurance policies for the purpose of investing them in the Denver firm.